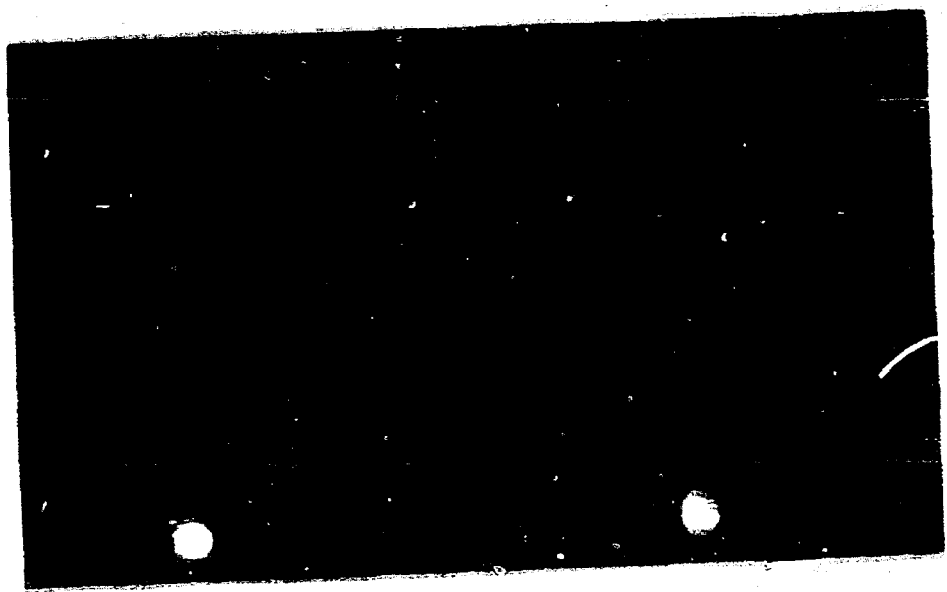
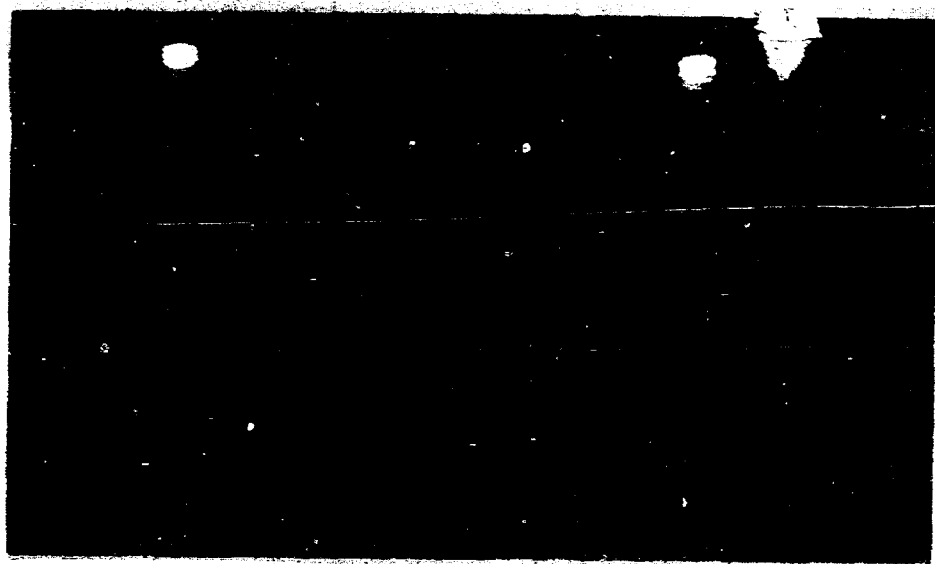


Casa No.

20

Application, Transcript,
Small Exhibits, Etc.





AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO)

) ss.

COUNTY OF COLFAX)

The undersigned, being first duly sworn according to law, on his oath deposes and says that he is the business manager of the newspaper named "Raton Reporter" and that he has personal knowledge of the facts stated herein; that the said "Raton Reporter" is a newspaper of general paid circulation printed and published in the County of Colfax and State of New Mexico and entered under the Second Class postal privilege in said county, and having been uninterruptedly and continuously printed and published in said county during the period of at least twenty-six consecutive weeks next prior to the date of publishing of the first issue of the publication or notice concerning which this affidavit is made and a copy of which is hereunto attached; that said newspaper is duly qualified for that purpose under the laws of the State of New Mexico; that the publication, a printed copy of which is hereunto attached and made a part of this affidavit, was published in said newspaper once each week

for One successive weeks, said publication having been made on the following dates, to-wit:

First publication: The 30th day of March, 1940

Second publication: The..... day of, 19.....

Third publication: The..... day of, 19.....

Fourth publication: The..... day of, 19.....

and that payment for such publication has been made or assessed as part of the court costs in the case to which it relates.

Dale Bullock
Business Manager.

Subscribed and sworn to before me this 3rd day of Sept.

19 40

Atty G. W. Robertson
Notary Public.

PUBLISHER'S BILL

52 lines, 8-pt. type, One

times, \$ 4.16

Tax Total \$.....

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION

Pursuant to Chapter 72, Section Laws of 1935, State of New Mexico, by which Act the Oil Conservation Commission of New Mexico was created, investing said Commission with the jurisdiction and authority over all matters relating to the conservation of oil and gas in this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capital, Santa Fe, New Mexico, on the 15th day of April, 1940, at ten o'clock A. M., for the purpose of considering the following:

Case No. 20

This petition of National Security Corporation to have determined the status of the well known as the Winston-Markham well, located on the 2000 acre, Section 1, Township 20 North, Range 21 East, Colfax County, New Mexico, and whether said well is in compliance with the requirements of the New Mexico Oil Conservation Commission.

Resident attorney for petitioner is G. W. Robertson, Raton, New Mexico.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on March 22, 1940.

OIL CONSERVATION
COMMISSION

By (Sgd.) FRANK WARDEN,
Commissioner of Public Lands.

By (Sgd.) A. J. [Signature]
State Engineer.

(SEAL)

Daily Reporter, Raton, N. M.
Mar. 30, 1940.

ORIGINAL

original to

Atty G. W. Robertson
March 30, 1940.

EDWIN C. CRAMPTON
GEORGE W. ROBERTSON

LAW OFFICES OF
CRAMPTON & ROBERTSON
RATON, NEW MEXICO

May 28, 1940

Mr. Carl B. Livingston, Attorney
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Livingston:

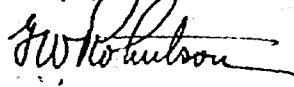
In re Plugging of Winston Marks
Well on Sec. 25-25N-24E, Colfax
County, New Mexico, and can-
cellation of \$5,000 drilling
bond, National Surety Corpora-
tion, surety

I have for acknowledgement your letter of May 27 returning the approved triplicate original of the report of plugging well on Form C-103, and another letter from you of the same date advising that the above mentioned bond is now cancelled. I am also in receipt of a letter dated May 27 from Mr. A. Andreas, state geologist, indicating his approval of the plugging of the well and of the cancellation of the drilling bond.

May I express my thanks and appreciation to you and Mr. Andreas, as well as to the other members of the Oil Conservation Commission, for the kind consideration and courteous treatment which you have all extended to me and to my client, National Surety Corporation? It is indeed a pleasure to deal with public officials who so consistently display an attitude of kindness and consideration.

With kindest regards,

Very truly yours,



GWR:d

cc to Mr. A. Andreas, State Geologist
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

May 27, 1949

C
O
P
Y

Mr. G. W. Robertson
Attorney at Law
Haton, New Mexico

Re: \$5,000.00 drilling bond with Winston Marks,
Principal, and National Surety Corporation,
Surety, for one well upon SE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 5-
25N-24E, Colfax County.

Dear Mr. Robertson:

The well covered by the bond noted in the
caption has the status of approved abandonment and
said bond is hereby cancelled as of this date.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:lk
cc - Mr. A. Andreas
cc - Mr. Frank Horn

OIL CONSERVATION COMMISSION

May 27, 1940

C
O
P
Y

Mr. G. W. Robertson
Attorney at Law
Raton, New Mexico

Re: Plugging of Winston Marks Well
on Sec. 25-25N-24E, Colfax County,
New Mexico.

My dear Mr. Robertson:

Reference is made to your letter of May 21.

I conferred with Mr. A. Andreas this morning relative to the impossibility of obtaining the log of the well. He has taken into consideration that the failure to supply the log by the corporate surety you represent is no fault of theirs, and inasmuch as the proceedings for formal abandonment have been carried out by the corporate surety, the supplying of the well record is excused.

Enclosed you will find an approved triplicate original of Report C-103.

Yours very truly,

Carl B. Livingston
Attorney

CBL:ik
Enc.

Legi

Affidavit of Publication

April 16, 1940

STATE OF NEW MEXICO
COUNTY OF SANTA FE
CITY OF SANTA FE } ss.

I, Wanda Lizar, hereby swear
and affirm that I am the Secretary-Treasurer
of the New Mexico Examiner, a newspaper of general circulation
in the City of Santa Fe, the County of Santa Fe, and the State of
New Mexico, printed daily in the City of Santa Fe; that the at-
tached is a true copy of Publication
as it appeared in the New Mexico Examiner, issues of
March 30, 1940, in a full and complete
edition of the paper.

This newspaper is duly qualified to publish legal notices or advertisements
within the meaning of Sec. 3, Chapter 167, Laws of 1937.

Signed: Wanda Lizar

STATE OF NEW MEXICO
COUNTY OF SANTA FE
CITY OF SANTA FE } ss.

Wanda Lizar appeared before me this
16 day of April, 1940, known to me
to be the person above making affidavit, and after being duly
sworn, deposes and says that the statements above made are true
and accurate to the best of his knowledge.

Edna Draper
Notary Public in and for Santa Fe
County, State of New Mexico.

My Commission expires: April 24, 1943

Legislator
Commissioner of Public Lands
State Geologist
Mar. 30, 1940.

Chapter 12, Section
State of New Mex-
Act the Oil Con-
Commission of New
investing
with the juris-
authority over all
to the conserva-
oil and gas in this State
enforcement of all pro-
Act, notice is here-
a public hearing
at the Capitol, Santa
on the 15th day
at ten o'clock A. M.
of considering

National Surety
have determined
well known as
Well, located
Section 8,
East
as abandoned;
therefrom and
in accordance with
the New Mex-
Commission.
for petitioner
Robertson, Raton, New

any interest
of the said hearing
to be heard.
the seal of said
Santa Fe, New
1940.

COMMISSION.
(Signed)
FRANK WORDEN,
Commissioner of
Public Lands.
ANDREAS
State Geologist.
Mar. 30, 1940.

OIL CONSERVATION COMMISSION

April 16, 1940

C
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The Raton Reporter
Raton, New Mexico

Gentlemen:

Re: Notice for Publication, Case No. 10,
Petition of National Surety Corpora-
tion respecting Winston Marks well
on Sec. 5-25N-24E, Colfax County,
New Mexico.

On March 27, 1940, we sent you the above captioned
Notice for Publication and requested that you publish it
once immediately and furnish the Commission with a copy
containing this publication, your affidavit of publica-
tion, statement in duplicate, and purchase voucher in
duplicate.

We have received your Affidavit of publication,
which was brought to us by Mr. George W. Robertson,
Attorney at Law, Raton, New Mexico. However, the other
items mentioned have not as yet been furnished, and we
would therefore appreciate it if you will check into the
matter.

Yours very truly,

OIL CONSERVATION COMMISSION

By _____
Carl B. Livingston
Attorney

CBL:lk

OIL CONSERVATION COMMISSION

April 16, 1940

C
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New Mexico Examiner
Santa Fe, New Mexico

Re: Notice for Publication, Case No. 20,
Petition of National Surety Corporation
respecting Winston Marks well on Sec.
5-25N-24E, Colfax County, New Mexico.

Gentlemen:

On March 27, 1940, we sent you the above captioned Notice for Publication, requesting that you publish it once immediately and furnish the Commission with a copy containing this publication, together with your affidavit of publication, statement in duplicate, and purchase voucher in duplicate.

We have not as yet been furnished the matters requested, and therefore would appreciate it if you will check into the matter at once.

Yours very truly,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:ik

OIL CONSERVATION COMMISSION

April 15, 1940

C
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Mrs. Winston Marks
c/o Herring Hotel
Amarillo, Texas

Re: Petition of National Surety Corpora-
tion respecting the Winston Marks well
on Sec. 5-25N-24E, Colfax County, New
Mexico, Case No. 20.

Dear Mrs. Marks:

Enclosed please find the Commission's order
promulgated pursuant to the hearing on the above
captioned matter, which order is self-explanatory.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:ik
Enc.

April 15, 1940

Honorable George W. Robertson
Attorney at Law
Raton, New Mexico

Re: Petition of National Surety Corpora-
tion respecting the Winston Marks well
on Sec. 3-25N-24E, Colfax County, New
Mexico, Case No. 20.

Dear Mr. Robertson:

Enclosed please find two copies of the Com-
mission's order promulgated pursuant to the hearing
on the above captioned matter, which order is self-
explanatory.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CB:L:k
Encls.

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO)

) ss.

COUNTY OF COLFAX)

The undersigned, being first duly sworn according to law, on his oath deposes and says that he is the business manager of the newspaper named "Raton Reporter" and that he has personal knowledge of the facts stated herein; that the said "Raton Reporter" is a newspaper of general paid circulation printed and published in the County of Colfax and State of New Mexico and entered under the Second Class postal privilege in said county, and having been uninterruptedly and continuously printed and published in said county during the period of at least twenty-six consecutive weeks next prior to the date of publishing of the first issue of the publication or notice concerning which this affidavit is made and a copy of which is here-to attached; that said newspaper is duly qualified for that purpose under the laws of the State of New Mexico; that the publication, a printed copy of which is hereunto attached and made a part of this affidavit, was published in said newspaper once each week

for One successive weeks, said publication having been made on the following dates, to-wit:

First publication: The 30th day of March, 1940

Second publication: The..... day of, 19.....

Third publication: The..... day, 19.....

Fourth publication: The..... day of, 19.....

and that payment for such publication has been made or assessed as part of the court costs in the case to which it relates.

Dale Bullard
Business Manager.

Subscribed and sworn to before me this 1 day of April, 1940

Dr. J. G. Gurrill
Notary Public.

PUBLISHER'S BILL

49 lines, 8-pt. type,

times, \$.....

Tax Total \$.....

LEGAL

NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

Pursuant to Chapter 72, Section Laws of 1935, State of New Mexico, by which the Oil Conservation Commission of New Mexico was created, and Commission with the Department of Conservation, and subject to the provisions of said Act, notice is hereby given that a public hearing will be held at the County Court House, Santa Fe, New Mexico, on the 27th day of March, 1940, at 10 o'clock A. M. for the purpose of considering the following:

Case No. 20.

The position of National Surety Corporation to have determined the status of the well known as the Western, known well located near the NW 1/4, Section 2, Township 20 North, Range 10 East, Colfax County, N. M., and to withdraw casing therefrom and plug said well in accordance with the requirements of the New Mexico Oil Conservation Commission.

Resident attorney for petitioner is G. W. Robertson, Raton, New Mexico.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on March 27, 1940.

OIL CONSERVATION COMMISSION

By (Sgd.) FRANK WARDEN,
Commissioner of Public Lands.

By (Sgd.) A. ANDREAS,
State Geologist.

(SEAL)

Daily Reporter, Raton, N. M.
Mar. 30, 1940.

NEW MEXICO STATE LAND OFFICE

April 2, 1940

C
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Mr. G. W. Robertson
Attorney at Law
Raton, New Mexico

Re: Petition of National Surety Corporation
respecting the Winston Marks well on
Sec. 5-25N-24E, Colfax County, New Mexico.

Dear Mr. Robertson:

Thank you for your letter of April 1 and for
your checking the notice of publication in the above
captioned matter.

As to the exact chamber in which the hearing
in question will be held on the date set, you will
be advised at the State Land Office that morning.
The office of the Oil Conservation Commission is in
the State Land Office, but hearings are frequently
held in the House of Representatives or some chamber.
However, there will be no confusion as to the place
of hearing, because everyone comes to the State Land
Office and Office of the Commission where they are
advised as to the exact room in which the hearing is
to be held.

The testimony is reported by a professional
reporter and permanently preserved. The proceedings
are carried on as in a judicial hearing. There are
no special rules of evidence other than, as for
instance, both sides are expected to confine their
evidence to the issues.

With kindest regards,

Very truly yours,

CBL:ik

Carl B. Livingston
Attorney

EDWIN C. CRAMPTON
GEORGE W. ROBERTSON

LAW OFFICES OF
CRAMPTON & ROBERTSON
RATON, NEW MEXICO

April 1, 1940

Mr. Carl B. Livingston, Attorney
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Livingston:

In re Petition of National
Surety Corporation respect-
ing the Winston Marks well
on Sec. 5-25N-24E, Colfax
County, New Mexico

Your letter of March 27 was received in due course, and at your request I called the Raton Reporter insisting upon proof reading of the notice of publication. This was taken care of, and I think you will find that the notice has been properly published. I understand from the newspaper that the affidavit of publication has already been sent directly to you.

The date which the commission has fixed for this hearing is entirely satisfactory to us, and I will arrange to be present at ten o'clock a. m. on April 15. I assume that the hearing will be held in the State Land Department offices. If this is incorrect, will you please let me know?

Please accept my thanks for your promptness in presenting the petition to the commission and arranging for such an early hearing.

With kindest regards,

Very truly yours,

George W. Robertson

GWR:d

March 27, 1940

Miss Winston Marks
c/o Herring Hotel
Amarillo, Texas

Re: Petition of National Surety Corporation respecting the Winston Marks well on Sec. 5-25N-24E, Colfax County, New Mexico.

Dear Miss Marks:

Enclosed please find copy of Notice for Publication, giving notice that a public hearing will be held relative to the above captioned matter on the 15th of April, 1940, at ten o'clock A. M., at the Capitol, Santa Fe, New Mexico.

Very truly yours,

Carl B. Livingston
Attorney

CBL:ik
Enc.

March 27, 1940

Honorable Geo. W. Robertson
Attorney at Law
Raton, New Mexico

Re: Petition of National Surety Corporation respecting the Winston Marks well on Sec. 5-25N-24E, Colfax County, New Mexico.

My dear Mr. Robertson:

Enclosed please find copy of Notice for Publication, giving notice that a public hearing will be held relative to the above captioned matter on the 15th of April, 1940, at ten o'clock A. M., at the Capitol, Santa Fe, New Mexico.

Very truly yours,

Carl S. Livingston
Attorney

CBL:ik
Enc.

March 27, 1940

New Mexico Examiner
Santa Fe, New Mexico

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Gentlemen:

There is enclosed herewith a Notice for Publication, which you are kindly requested to publish once immediately. You are also requested to furnish this Commission with a copy containing this publication.

Immediately upon completion of the publication be sure to transmit to the Oil Conservation Commission your affidavit of publication.

Upon sending to the Commission your affidavit of publication, please send your statement in duplicate and enclosed purchase voucher, also in duplicate.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:ik
Encls.

OIL CONSERVATION COMMISSION

March 27, 1940

The Raton Reporter
Raton, New Mexico

Gentlemen:

There is enclosed herewith a Notice for Publication, which you are kindly requested to publish once immediately. You are also requested to furnish this Commission with a copy containing this publication.

Immediately upon completion of the publication be sure to transmit to the Oil Conservation Commission your affidavit of publication.

Upon sending to the Commission your affidavit of publication, please send your statement in duplicate and enclosed purchase voucher, also in duplicate.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:1k
Encls.

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OIL CONSERVATION COMMISSION

March 15, 1940

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Honorable Geo. W. Robertson
Attorney at Law
Raton, New Mexico

Re: Petition of National Surety Corporation
respecting the Winston Marks well on
Sec. 5-25N-24E, Colfax County, New Mexico.

My dear Mr. Robertson:

Your amended petition, accompanying your letter of March 14, will come to the attention of the Commission at its next meeting. I do not know exactly when that will be, but it will be at least a week as yet.

Please pardon me for overlooking the answering of one of your inquiries. Ex parte evidence, such as affidavits, would hardly suffice. The practice has been to present testimony by sworn witnesses with the opportunity for cross-examination. A transcript of the testimony is made somewhat like that of the district court. The proceedings before the Commission in its judicial capacity are carefully conducted for a quasi judicial body. As evidence of this, so far the Commission has never been reversed.

Very truly yours,

Carl B. Livingston
Attorney

CBL:lk

EDWIN C. CRAMPTON
GEORGE W. ROBERTSON

LAW OFFICES OF
CRAMPTON & ROBERTSON
RATON, NEW MEXICO

March 14, 1940

Mr. Carl B. Livingston, Attorney
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Livingston:

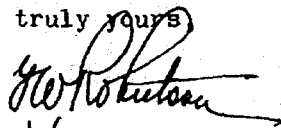
In re Petition of National Surety
Corporation respecting the
Winston Marks well on Sec. 5-
25N-24E, Colfax County, New Mexico

Thank you for your kind letter of March 12th in which you return the Petition for correction in the manner indicated. In accordance with your suggestion, the prayer of the Petition has been redrawn so as to include a specific request for determination by the Commission of the status of the well as an abandoned well.

Will you kindly file the Petition, and notify us as to the number of the case, and have it presented to the Commission as quickly as possible?

The additional explanation set out in your letter is very much appreciated. There still remains one question in my mind which has not been answered. In my letter to you dated March 11th, I asked whether at the hearing before the Commission it would be satisfactory and in conformity with the Commission's usual practice to receive ex parte affidavits on the question of abandonment, or whether it would be necessary to have witnesses present to testify to the fact. At your convenience, I wish you would let me know what you think about this.

Very truly yours



GWR:d

enc.

OIL CONSERVATION COMMISSION

March 12, 1940

Honorable George W. Robertson
Attorney at Law
Raton, New Mexico

Re: Petition of National Surety Corporation
respecting Winston Marks well on Sec.
5-25N-24E, Colfax County, New Mexico.

My dear Mr. Robertson:

Reference is had to your letter of March 11, submitting in duplicate the petition noted in the caption.

The procedure before oil regulatory bodies is rather new and specialized. It is therefore always a pleasure to offer suggestions in order that a matter may be squarely presented to the Commission.

In a case of this nature (and it is a case before the Commission, taking a number and style), it must always be borne in mind:

1. That the Commission will not undertake to adjudicate property rights in equipment. This is for the court having jurisdiction thereof. That is, I believe, true unless a matter of title is self-evident and undisputed. From your allegations, apparently the matter of title is self-evident.

2. That a well authorized by the Commission to be drilled has the status of an un abandoned well until the permittee voluntarily completes the procedure with the Commission of an approved abandonment. If the permittee refuses such voluntary abandonment, then the status of the well as an abandoned or an un abandoned well must be judicially determined by the tribunal having jurisdiction thereof, which is the Oil Conservation Commission. Here is an extremely important point in procedure. One may have every reason in the world to believe that a well is in fact abandoned, but in the actual judicial determination of that fact, results may be different. Both the members of the Commission and the petitioner would wish to be protected against guessing wrong as to the fact of abandonment. Therefore, the careful way is to determine that fact before the Commission. I recall a specific case wherein a promoter who held a permit to drill

Honorable George W. Robertson

3/12/40

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a well apparently had certainly abandoned his well and the owners of the casing therefore desired to be permitted to withdraw the casing and not go through the procedure of determining the well's status as abandoned or unabandoned inasmuch as the matter of abandonment apparently was self-evident. The Commission, however, proceeded in the regular way by calling a hearing to determine the status of the well as abandoned or not abandoned. Surprisingly, at the hearing the proof offered by the respondent was such that the Commission was obliged to hold that the well was not abandoned. Very satisfactory and convincing explanations were made for the cessation of drilling activities and an exceedingly strong showing was made as to then present financial backing to support renewed prosecution of well drilling.

In your petition you have stated facts for abandonment in Paragraph III, but in your prayer by all means include the request for determination by the Commission of the status of the well as an abandoned well. Failure so to do might be a jurisdictional defect if the Commission acts upon your petition as the basis for the calling of the hearing.

I am therefore returning your petition in duplicate for this suggested revision.

Whether you file in triplicate, along with your petition, the Notice of Intention to Plug Well is optional. There is plenty of time for this. An office engineer can render you some assistance in making out your Notice of Intention to Abandon.

Very truly yours,

Carl B. Livingston
Attorney

CBL:k

P. S. Return the petition as soon as possible and I will endeavor to get it presented to the Commission immediately.

EDWIN C. CRAMPTON
GEORGE W. ROBERTSON

LAW OFFICES OF
CRAMPTON & ROBERTSON
RATON, NEW MEXICO

March 11, 1940

Mr. Carl B. Livingston, Attorney
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Livingston:

In re Petition of National Surety
Corporation respecting Winston
Marks well on Sec. 5-25N-24E,
Colfax County, New Mexico

I want to express my deep appreciation for your very kind letter of February 29th setting forth an explanation of the general method of procedure before the Oil Conservation Commission in order to reach a solution of our problems.

As you point out in your letter, it is rather difficult to outline in a single letter a whole new system of procedure. Notwithstanding this, your explanation seems remarkably clear and concise.

You will appreciate, I feel sure, that, in attempting to carry through the procedure as suggested in your letter, it is somewhat difficult, if not impossible, for an attorney who has had no previous experience in this field to draft the necessary papers with any considerable degree of confidence.

I have studied your letter very carefully in the light of the rules and regulations, and I have prepared and enclose herewith a petition setting forth the facts and asking for the permission of the Commission to pull the casing and also to plug the well. This petition is intended for immediate filing with the Commission. Nevertheless, before you actually file it, I would take it as a personal favor if you would read it over carefully and see whether in your judgment it adequately meets the situation. If in your opinion the petition is inadequate or improper in any particular, please advise me so that I may have an opportunity before actual filing of the petition to make any corrections or additions which you may consider advisable.

A word of explanation may be in order as to our allegations concerning ownership of the casing. In your letter you suggest that the statement of ownership be supported by a certified copy of the court proceedings placing title in the petitioner. As you will see from reading the petition, our title does not rest upon any court proceedings. It comes by bill of sale and assignment from the former owner, who never sold the casing to Marks but simply made a rental

Mr. Carl B. Livingston

March 11, 1940

agreement. Consequently, it has never been necessary for us to bring a court proceeding to obtain title as we have had the title all of the time. It is true that we did bring a replevin suit, which is now pending in the district court of Colfax County, and in that suit a writ of replevin has been served by the deputy sheriff, under the terms of which writ we are given the right of immediate possession of the casing. This suit was brought against one Tom Bressler who, totally without authority, had adopted a "dog in the manger" attitude and refused to let anyone near the well. To my mind this replevin suit is a side issue and for that reason I have not set it out in the petition inasmuch as the petitioner's title does not in any sense come through or depend upon the replevin action. For your information, I may say that we have as yet no reason to think that the replevin suit will be contested.

I would like to inquire as to the usual practice at the hearing before the Commission in such cases as this. The facts as to the abandonment of the well and as to its being a dry well are widely known in this community and in all probability are judicially known to the Commission itself. Would it be satisfactory and in conformity with the Commission's usual practice to receive affidavits on this subject? We could, of course, bring to the hearing a witness or two who could testify to those facts, but that would naturally entail a considerable expense, which we would like to avoid if possible. I would very much appreciate your reactions and suggestions along this line.

If I interpret your letter correctly, the notice of intention to plug well, to be filed in triplicate upon Form C-102, should not be filed until after hearing before the Commission and the entry of an order giving permission to plug the well. Consequently, I am not filing that notice at this time. The regulations indicate that such a notice, when filed, should give a detailed statement of the proposed work, including length and depth of plugs, plans for mudding, cementing, shooting, testing, and removing casing, and the date of the proposed plugging operations. Naturally, we will want to do this work in whatever manner is satisfactory to the Commission, and we will engage an experienced and competent man to do the work. Under the circumstances, however, as you can readily see, it would be rather difficult for us to know in advance all the details as to what will be necessary. Would it be satisfactory for us, when we do file this notice, simply to state that the work will be done in whatever manner the Commission requires, and then leave the determination of the actual details on the ground to some representative of the Commission?

I am sorry to trouble you with so many details about this matter, but, having had no previous experience in this field, I know of no where else to turn. Your kindness in offering suggestions and

-3-

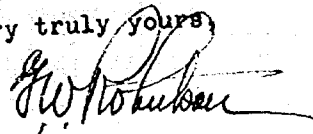
March 11, 1940

Mr. Carl B. Livingston

answering my inquiries will be very greatly appreciated.

With kindest regards,

Very truly yours,



GWR:d

enc.

OIL CONSERVATION COMMISSION

February 28, 1940

Mr. York Denton
Maxwell Lumber Company
Maxwell, New Mexico

Re: \$5,000.00 drilling bond with Winston
Marks, Principal, and National Surety
Corp., Surety, for one well upon
SW 1/4 Sec. 5925N-24E.

Dear Mr. Denton:

Reference is had to your letter of February 27.
Immediately upon receipt of your letter, a field
man proceeded to the location to investigate.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:ik

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COMPLETE LINE
BUILDERS' MATERIAL

PHONE NO. 27

MAXWELL LUMBER CO.

HARDWARE & COAL

LUMBER, LATH, SHINGLES, SASH, DOORS, MOULDING BRICK
LIME, PLASTER, CEMENT, PAINTS AND OILS

MAXWELL, N. M. February 27th

State land Commissioner.,
Santa Fe, N.M.

Gentlemen :-

I thought possibly you might be interested in knowing that the Gibson Machine and tool Co., of Borger, Texas trucks went through Maxwell this morning, going to pull the casing in the Winston marks well, section five Twp 25 range 24.

I dont know who her bondsman are to see that the well is plugged as they pull the casing.

Yours truly

York Denton

RECEIVED
STATE LAND OFFICE

FEB 28 8 54 AM '40

SANTA FE, N. M.

OIL CONSERVATION COMMISSION

February 29, 1940

Honorable Geo. E. Robertson
Attorney at Law
Raton, New Mexico

Re: \$5,000.00 drilling bond with Winston Marks,
Principal, and National Surety Corporation,
Surety, for one well upon SW 1/4 Sec. 5-25N-24E.

My dear Mr. Robertson:

Reference is had to your conversation of long distance wherein you assert that the well noted in the caption is abandoned and that your client owns the casing.

The permit to drill this well was issued to the principal of the bond, who, with the surety, is responsible for final approved abandonment. No one, other than the permittee, can legally conduct any operations in connection with the well itself, unless acting as the permittee's authorized agent. Section 22 of the Oil Conservation Law provides for a fine and injunctive remedy. The mere ownership of equipment in a well does not in itself entitle such owner to disturb the well, unless the right so to do is attained through proper legal procedure before the Commission. Where the permittee does not voluntarily abandon, the procedure is outlined as follows:

Such outline, however, is prefaced with this statement: Your client, I surmise, is primarily interested in getting his equipment out of the hole, but from the Commission's standpoint a number of conservation measures must be observed, of which mention will be touched upon later.

A. The well should be tried before the Commission as to its status - whether it is in fact an abandoned well. If it is judicially established that such well is an abandoned well, then, of course, it must be plugged - which means the well must be abandoned in accordance with the regulations of the Commission. The owner of the casing in the hole, desiring to remove such casing, should set up in his petition before the Commission a statement of facts, and a case of abandonment.

OIL CONSERVATION COMMISSION

Honorable Geo. W. Robertson

-2-

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B. In another division of the petition should be set up a statement of the ownership of the equipment, which should be supported by a certified copy of the pertinent portions of the court proceedings placing the title over into the petitioner. The Commission does not undertake to adjudicate title in property. That is for the tribunal having jurisdiction thereof. Therefore, it is necessary to have the transcript mentioned accompanying your petition, or else be in a position to introduce it in evidence at the hearing before the Commission.

C. The petitioner should also petition to plug the well in accordance with the administrative requirements of the Commission.

Thereafter, should you be successful in establishing proof of abandonment, should the Commission be satisfied that your client has unquestioned title to the casing, and should the Commission order that you may plug the well and remove the casing, such order would carry with it the following formalities:

1. A drilling bond with corporate surety, to be written in the sum of \$5,000.00 to insure approved abandonment. If your client is the same party who is the corporate surety on the permittee's bond, I do not believe another bond would be necessary.
2. File in triplicate upon Form C-101 Notice of Intention to Plug Well. When this notice is approved, it is your permit to plug.
3. The next step, after the plugging is accomplished, is to file in triplicate upon Form C-102 Report on Result of Plugging of Well. When that report is approved, the plugging bond is eligible for immediate release.

You are being sent under separate cover the following matters:

1. Circular 1 of the Commission containing general rules. Your particular attention is drawn to rules 28 and 29.
2. A set of Form C-101.
3. A set of Form C-102.
4. Bond Form C-101. The bond is to be for \$5,000.00 with corporate surety.

OIL CONSERVATION COMMISSION

Honorable Geo. W. Robertson

-3-

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When the Commission has received your petition and has passed upon it from the standpoint of the petition having stated its case, the Commission issues an order directing service as required by the Conservation Act (which is usually by publication), and sets the time and place for hearing. At the trial, the petitioner has the burden, the testimony is reported, and the Commission issues its order pursuant to the proceedings and upon the testimony, either at the hearing or takes the matter under advisement.

It is rather difficult to outline a whole new system of procedure in the compass of a letter, and I trust this will be of some assistance to you from a procedural standpoint. I do not believe that you as a lawyer will find that your time will be spent unprofitably in this matter, for New Mexico has become one of the great oil states and conservation has become one of the outstanding phases of the oil industry not only in New Mexico but in practically all of the oil producing states today. A new branch of law is rapidly growing up around conservation. The New Mexico Commission sits in a dual capacity, as a board of executives and as a quasi judicial body, whose decisions are reviewable by the district court and thereby conforms to constitutional requirements. It is in the latter capacity that the Commission will be acting in the instant matter, should you present your petition.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CSL:z

CASE NO. 20

BEFORE THE OIL CONSERVATION COMMISSION
FOR THE STATE OF NEW MEXICO

THE PETITION OF NATIONAL SURETY CORPORATION
TO HAVE DETERMINED THE STATUS OF THE WELL
KNOWN AS THE WINSTON MARKS WELL, LOCATED
UPON THE SE $\frac{1}{4}$ NW $\frac{1}{4}$, SEC. 5, TWP. 25 N., R. 24
E. (COLFAX COUNTY), AS ABANDONED; TO WITH-
DRAW CASING THEREFROM AND PLUG SAID WELL IN
ACCORDANCE WITH THE REQUIREMENTS OF THE
NEW MEXICO OIL CONSERVATION COMMISSION.

CAPITOL BUILDING, SANTA FE, NEW MEXICO
APRIL 15, 1940

Pursuant to notice, duly given and published, hearing
in the above entitled matter was convened in the office of the
Commissioner of Public Lands, Capitol Building, Santa Fe, New
Mexico, at the hour of ten o'clock, A. M., of April 15, 1940,
the Commission sitting as follows:

Hon. Frank Worden, Commissioner of Public Lands, Secretary
Hon. A. Andreas, State Geologist, Member of Commission.
Hon. Carl B. Livingston, Attorney for Commission.

APPEARANCES:

G. W. Robertson, for National Surety Corp., Raton, New Mexico
York Denton Maxwell, New Mexico

The hearing was opened by Mr. Worden, at whose request
Mr. Livingston read the Notice of Hearing, as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Pursuant to Chapter 72, Session Laws of 1935, State of
New Mexico, by which Act the Oil Conservation Commission of
New Mexico was created, investing said Commission with the
jurisdiction and authority over all matters relating to the
conservation of oil and gas in this State and of the enforce-
ment of all provisions of said Act, notice is hereby given
that a public hearing will be held at the Capitol, Santa Fe,
New Mexico, on the 15th day of April, 1940, at ten o'clock
A. M., for the purpose of considering the following:

Case No. 20.

The petition of National Surety Corporation to have determined the status of the well known as the Winston Marks Well, located upon the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 5, Township 25 North, Range 24 East (Colfax County), as abandoned; to withdraw casing therefrom and plug said well in accordance with the requirements of the New Mexico Oil Conservation Commission.

Resident attorney for petitioner is G. W. Robertson, Raton, New Mexico.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on March 27, 1940."

BY MR. WORDEN: We will hear from Mr. Robertson. Apparently we do not have any parties representing the Marks interests.

BY MR. ROBERTSON: If the Commission please, I don't want to draw this out any more than necessary, but not knowing from experience very much about the procedure, I don't want to omit anything essential. I would like to make a brief statement.

I appear for the National Surety Corporation. That corporation comes into this case in two different ways, arising out of two different bonds.

About October, 1937, Winston Marks entered into a contract with the Teneja Oil Company, a New Mexico corporation, of which company Mr. York Denton is President. The terms of that contract were that Miss Marks was to drill a well on this location to a total depth of 3500 feet. She was required to file a bond, and she obtained that bond with the National Surety Company through its Amarillo agency. That bond was filed here.

BY MR. LIVINGSTON: The Commission will take judicial notice of that bond.

BY MR. ROBERTSON: That bond was given about January, 1938.

In order to get casing for this well, Winston Marks rented casing from Morris Zeligson, of Tulsa, Oklahoma,

and entered into a written rental agreement with him, by the terms of which was to take this casing and use it in this particular well, and at the expiration of a certain time she was either to return the casing or pay for it. Mr. Zeligson required Miss Marks to give a bond to assure him against loss under the contract with him, and the National Surety Corporation got stuck on that too. We have two bonds here. When Miss Marks failed to pay for, or return the casing, Mr. Zeligson brought suit against the National Surety Corporation. The Corporation paid off the whole amount and received a bill of sale to the casing in the hole.

We are here to ask at least three things. First, we are asking the Commission to adjudge that this well is an abandoned well; second, we are asking for permission to pull and remove our casing; and, third, in order to comply with the requirements as to plugging wells, we are asking permission to plug the well.

We will show that the well is utterly abandoned, Miss Marks proceeding to a depth of not over 1600 feet, when her contract called for a depth of 3500 feet. She had trouble with tools getting stuck in the well as early as July, 1938. She made desultory efforts from time to time to recover the tools, and in December, 1938, a fire occurred in her derrick and burned it up. Since that date nothing of a substantial character has been done by Miss Marks. Nothing has been done, and nothing has been attempted. Miss Marks has abandoned the well, as the testimony will show.

About October, 1939, the Teneja Company offered her an extension on her contract and required her to take some action within a certain time, ten days, and in December, 1939, the Teneja Company gave notice of the cancelling of the contract.

I believe that covers the principal points. Anything in that statement that is not clear?

BY MR. WORDEN: It is perfectly clear to me.

BY MR. ROBERTSON: First, I think we will take up the matter of

the title to the casing. I understand that is essential to the proposition here.

BY MR. LIVINGSTON: If the Commission please, I have explained to Mr. Robertson that the Commission does not endeavor to pass judgment upon the title, but for their own satisfaction they would like to know that the petitioner does have title.

BY MR. ROBERTSON: I have here the bond of indemnity given by the National Surety Company to Morris Zeligson, to which is attached the rental agreement. I would like to retain the original of that and substitute a photostatic copy, if that is satisfactory. (Marked "Petitioner's Exhibit No. 1").

We offer Petitioner's Exhibit No. 1 in evidence.

PETITIONER'S EXHIBIT NO. 1.

"BOND OF INDEMNITY

KNOW ALL MEN BY THESE PRESENTS:

That we, Winston Marks, of Amarillo, Texas (hereinafter called the principal), as principal and the NATIONAL SURETY CORPORATION, a corporation under the laws of the State of New York (hereinafter called the corporation) as surety, are held and firmly bound unto Morris Zeligson, of Tulsa, Oklahoma (hereinafter called the Obligee) in the penal sum of Three Thousand Dollars (\$3,000.00) (which sum is hereby agreed to be the maximum amount of lawful money of the United States of America claimable and recoverable hereunder) well and truly to be paid and for the payment of which lawful money of the United States of America we and each of us hereby bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

Dated this 11th day of July, 1938.

The conditions of the above and foregoing obligation are such that, WHEREAS, the principal has entered into a certain contract in writing bearing date of July 11, 1938 with the said Morris Zeligson of Tulsa, Oklahoma covering the renting, use and return of certain oil well casing as defined in the said rental contract, a copy of which is hereto attached, marked Exhibit "A" and made a part hereof.

NOW, THEREFORE, if the said Winston Marks shall fully and faithfully perform any and all terms and conditions of said contract hereto attached and marked Exhibit "A", except such as hereinafter excepted, then this obligation shall be void, otherwise to remain in full force and effect.

This bond does not guarantee payment to the obligee the rental on the pipe as set forth in the contract.

This instrument shall not be construed, interpreted, altered, amended, extended, or changed in any manner whatever, nor any of its provisions waived, by any employee of the Corporation other than the President, or a Vice President, of the Corporation, in a written instrument formally executed by the Corporation through one of the foregoing officers with its seal affixed and duly attested; nor shall the obligee consent to an assignment of the contract or any part thereof or consideration therefor without the express consent of the Corporation duly executed and attested as aforesaid; nor shall this instrument or any rights thereunder be assignable unless with like consent duly executed and attested as aforesaid.

No action, suit or proceeding shall be had or maintained against the corporation on this instrument unless the same be brought or instituted and process served upon the corporation therein within six months after the principal shall cease performing the work mentioned in said contract and in no event after six months after the date, time or period fixed in said contract for the completion of the work mentioned therein.

All notices and other evidence required by this instrument to be furnished by the obligee to the corporation shall be in writing, and shall be forwarded by registered letter addressed to the corporation at its principal office in the City of New York.

That no right of action shall accrue upon or by reason hereof, to or for the use or benefit of any one other than the obligee herein named; and that the obligation of the corporation is and shall be construed strictly as one of

suretyship only; and that this instrument shall be executed by the principal before delivery and in no event, nor for any cause whatsoever shall the penal sum of this instrument be extended or increased beyond the sum of lawful money of the United States of America set forth in line numbered 7 hereof, notwithstanding anything to the contrary in or arising out of the contract between the Principal and Oblige.

(Signed) Winston Marks

NATIONAL SURETY CORPORATION

BY (SIGNED) H. E. Samuels
Attorney in Fact.

RENTAL AGREEMENT

This Agreement made and entered into this 11th day of July, 1938, by and between Morris Zeligson, Party of the First Part, and Winston Marks, Party of the Second Part, as follows:

WHEREAS, Party of the First Part is the owner of approximately 1200 feet of 12-1/2" Casing, now located in the vicinity of Ellis, Kansas, and

WHEREAS, Party of the Second Part is now drilling a well for oil and gas upon the following described lease in Colfax County, New Mexico, being SE NW 1/4 Sec. 5 TNP 25 N, R 24 E

Party of the First Part agrees to rent and furnish above mentioned casing to Party of the Second Part under the following terms and conditions:

Party of the Second part is to pay Party of the First Part the sum of \$500.00, and the cost of hauling from the present location to the drilling location, and an additional consideration of one 80-acre lease to be an offset to the drilling well, and an 80-acre lease within one mile of the drilling well. These payments to cover a rental period of 120 days.

In the event the well is a producer, Second Party will retain casing at a price of \$2.15 per foot for the Lapweld, and \$2.50 per foot for whatever Seamless is furnished. Said title to casing to remain in First Party's name unless and

until full and complete payment is made by Second Party.

In the event of a dry hole, Second Party is to pay for any and all damages to the casing or collars and threads, and to pay for any pipe that may not be recovered from the well at prices hereinbefore mentioned. It will be assumed by both parties that the threads and collars are in first class order before running in the hole unless otherwise notified by Second Party before running, and when pipe recovered in event of dry hole, First Party will have same inspector at the drilling location who will at that time designate any damages.

Party of the Second Part agrees to assume all responsibility in connection with the use and running of above casing and saves Party of the First Part free and harmless from any responsibility whatsoever as to the performance or representations of this casing, but Second Party to have full privilege of inspection of casing before running into the well and at the time of loading, and to accept only pipe which is satisfactory upon the inspection.

Party of the Second Part agrees to either return or pay for the casing within or at the expiration of 120 days from the signing of this agreement. In the event Casing is to be returned, Party of the Second Part will re-deliver casing to the vicinity of its present location free of any cost to First Party.

IT IS AGREED by both parties that accompanying this agreement, Party of the Second Part will furnish a guarantee to indemnify and save First Party harmless from any liens and encumbrances, and to guarantee the performance of Party of Second Part in this agreement in its entirety. Said indemnification to ~~the~~ specifically refer to this agreement and its particulars, such as against liens, value of material and re-delivery.

In WITNESS WHEREOF, the Parties here hereunto set their hands and seals this 11th day of July, 1938.

Party of the First Part

Winston Marks

Party of the Second Part.

STATE OF TEXAS)
 SS.
COUNTY OF POTTER)

Before me, the undersigned, authority, a Notary Public, in and for Potter County, Texas, on this day personally appeared Winston Marks a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS 11th day of July, A. D. 1938.

W. S. Eakens

seal EXHIBIT "A" Notary Public, Potter County, Texas"

BY MR. ROBERTSON: Next I propose to offer a draft showing payment by the National Surety Corporation to Morris Zeligson. I have the original, but I would like to retain that and offer a photostatic copy marked "Petitioner's Exhibit No. 2. (Exhibit is so marked). And we offer that exhibit in evidence.

PETITIONER'S EXHIBIT No. 2.

"NATIONAL SURETY CORPORATION	Draft
NEW YORK	Number
	46515

DALLAS, TEXAS JULY 28, 1939

At sight Pay to the order of MORRIS ZELIGSON, TULSA, OKLAHOMA -
TWO THOUSAND SEVEN HUNDRED NINETY-THREE AND 90/100 DOLLARS
\$2,793.90

To

NATIONAL SURETY CORPORATION	NATIONAL SURETY CORPORATION
Payable Through	
THE CHASE NATIONAL BANK 1-74	By (Signed) L. K. Frickstad
Of the City of New York	(Type) L. K. Frickstad
Pine Street Corner of Nassau	
New York, N. Y.	

Endorsement of this draft by payee constitutes a receipt and release in full for items appearing on voucher from which this draft has been detached.

(Rubber stamp):



(Reverse side): (Signed) Morris Zeligson

(Rubber stamps): Rack 31

Pay to the order of any bank, banker or trust company
or through the New York Clearing House
Prior ~~to~~ endorsements guaranteed

JUL 31 1939

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK "

(Two other rubber stamp impressions not legible).

BY MR. ROBERTSON: I have here Petitioner's Exhibit No. 3, which
is copy of rental agreement made between Morris Zeligson and
Miss Marks, which is on record in Colfax County. This is
certified by the County Clerk of Colfax County, New Mexico.
We offer this exhibit in evidence.

PETITIONER'S EXHIBIT No. 3.

"RENTAL AGREEMENT

This Agreement made and entered into this 11th day of
July, 1938, by and between Morris Zeligson, Party of the
First Part, and Winston Marks, Party of the Second part, as
follows:

WHEREAS, Party of the First Part is the owner of approx-
imately 1200 feet of 12-1/2" Casing, now located in the
vicinity of Ellis, Kansas, and

WHEREAS, Party of the Second Part is now drilling a well
for oil and gas upon the following described lease in Colfax
County, New Mexico, being SE NW 1/4 Sec. 5, TNP 25 N R 24 E

Party of the First Part agrees to rent and furnish above
mentioned casing to Party of the Second Part under the follow-
ing terms and conditions:

Party of the Second part is to pay Party of the First
Part the sum of \$500.00, and the cost of hauling from the
present location to the drilling location, and an additional
consideration of one 80-acre lease to be an offset to the
drilling well, and an 80-acre lease within one mile of the
drilling well, These payments to cover a rental period of
120 days.

In the event the well is a producer, Second Party will retain casing at a price of \$2.15 per foot for the Lapweld, and \$2.50 per foot for whatever Seamless is furnished. Said title to casing to remain in First Party's name unless and until full and complete payment is made by Second Party.

In the event of a dry hole, Second Party is to pay for any and all damages to the casing or collars and threads, and to pay for any pipe that may not be recovered from the well at prices hereinbefore mentioned. It will be assumed by both parties that the threads and collars are to be in first class order before running in the hole unless otherwise notified by Second Party before running, and when pipe recovered in event of dry hole, First Party will have same inspected at the drilling location who will at that time designate any damages.

Party of the Second Part agrees to assume all responsibility in connection with the use and running of above casing and saves Party of the First Part free and harmless from any responsibility whatsoever as to the performance or representation of this casing, but Second Party to have full privilege of inspection of casing before running into well and at the time of loading, and to accept only pipe which is satisfactory upon inspection.

Party of the Second Part agrees to either return or pay for the casing within or at the expiration of 120 days from the signing of this agreement. In the event casing is to be returned, Party of the Second Part will re-deliver casing to the vicinity of its present location free of any cost to First Party.

IT IS AGREED by both parties that accompanying this agreement, Party of the Second Part will furnish a guarantee to indemnify and save First Party harmless from any liens and encumbrances, and to guarantee the performance of Party of Second Part in this agreement in its entirety. Said indemnification to specifically refer to this agreement and its

particulars, such as against liens, value of material and re-delivery.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals this 11th day of July, 1936.

Morris Zeligson
Party of the First Part

Winston Marks
Party of the Second Part

STATE OF TEXAS)
COUNTY OF POTTER) ss.

Before me, the undersigned authority, a Notary Public, in and for Potter County, Texas, on this day personally appeared Winston Marks a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of July, A. D. 1938

W. S. Eakens
Notary Public, Potter County, Texas

(SEAL)

STATE OF OKLAHOMA)
COUNTY OF TULSA) ss.

On this, the 10th day of August, 1939, before me personally appeared Morris Zeligson, to me known to be the identical person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Maxine Witt
Notary Public

(SEAL)

STATE OF NEW MEXICO)
COUNTY OF COLFAX) ss.

I, Doris O'Brien, County Clerk of Colfax County, New Mexico, hereby certify that the above and foregoing constitutes a true, perfect, and complete copy of the Rental Agreement filed in my office on the 11th day of August, 1939, under filing number M-3176, and which said Rental Agreement is still on file in my office.

Dated this 11th day of April, 1940

(SEAL)

(Signed) Doris O'Brien
County Clerk of Colfax County, N. M.

By A. J. Stanley Deputy"

BY MR. ROBERTSON: I now offer in evidence Petitioner's Exhibit
No. 5, which is an assignment from Morris Zeligson to the
National Surety Corporation.

PETITIONER'S EXHIBIT No. 5

"ASSIGNMENT.

KNOW ALL MEN BY THESE PRESENTS: That I, Morris Zeligson,
in consideration of the sum of One (\$1.00) Dollar, and other
good and valuable consideration, to me in hand paid, by
National Surety Corporation, the receipt of which is hereby
acknowledged, have granted, bargained, sold and assigned, and
by these presents do hereby grant, bargain, sell and assign
unto National Surety Corporation, its successors or assigns,
all of my right, title, interest in, to, or concerning, the
following described property, located in or about a partially
drilled test well, the drilling of which was commenced by
Winston Marks, on the Southeast Quarter (SE $\frac{1}{4}$) of the Northwest
Quarter (NW $\frac{1}{4}$) of Section Five (5), Township Twenty-Five (25)
North, Range Twenty-four (24) East, Colfax County, New Mexico,
to-wit:

29 Joints, 774-3/4 feet of 12 $\frac{1}{2}$ inch lapweld casing.

15 Joints, aggregating 447-3/4 feet of 12 $\frac{1}{2}$ inch
seamless casing.

to have and to hold the same unto the said National Surety
Corporation, its successors and assigns forever: PROVIDED
HOWEVER, that this assignment is made without warranty, and
assignor has not at any time, prior or subsequent to a con-
tract with Winston Marks, encumbered this property.

Dated this the 28th day of July, 1939.

(Signed) Morris Zeligson
(Typed) Morris Zeligson

WITNESSES TO SIGNATURES:

(Signed) G. H. Spillers
Name

Tulsa, Okla
Address

(Signed) Anne Spillers
Name

Tulsa, Oklahoma
Address

STATE OF OKLAHOMA)
) SS.
COUNTY OF TULSA)

Before me, Frances Thompson, a Notary Public, within and for the State of Oklahoma, on this the 28th day of July, 1939, personally appeared Morris Zeligson, to me known to be the identical person who executed the above and foregoing Bill of Sale, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

In witness whereof, I have hereunto subscribed my name and affixed my seal the day and year first above written.

(SEAL)

(Signed) Frances Thompson
Notary Public.

MY COMMISSION EXPIRES: Jan. 26, 1940"

BY MR. ROBERTSON: One think in the statement I omitted: About the latter part of February, 1940, the National Surety Corporation sent a crew of men from Amarillo, Texas, to pull the casing. That was due to my ignorance of the procedure before this Commission, and I do not want this Commission to hold the National Surety Corporation responsible for that. I was not familiar with the procedure, and I innocently assumed that because the casing belonged to us, we could go in and take it. I hope the Commission accepts my apologies, because it was not done with any intention of violating the rules of the Commission. The men were stopped by Mr. Horn.

BY MR. WORDEN: Very well.

BY MR. ROBERTSON: Since learning of the situation, we have tried to comply. At that time, before Mr. Horn came there, Mr. Tom Bressler, who was undertaking to guard this well on behalf of Miss Marks, or some other interest, refused to let these men take the casing. He was not acting on behalf of the Commission, but on behalf of somebody else. We brought suit in replevin, suit in Colfax County, not against the Commission of course, but the other parties, and we offer in evidence Petitioner's Exhibit No. 4, final judgment in that case, in which title is adjudged to rest in the National

Surety Corporation.

BY MR. WORDEN: Who was Tom Bressler?

BY MR. ROBERTSON: Perhaps Mr. Denton can explain that. He comes in, in some way, directly through Winston Marks. He has been out there simply watching the well site. I think the truth is, he probably has money coming from Winston Marks, and is doing his best to preserve his rights.

PETITIONER'S EXHIBIT No. 4

IN THE DISTRICT COURT OF THE EIGHTH JUDICIAL DISTRICT OF THE
STATE OF NEW MEXICO SITTING WITHIN AND FOR THE
COUNTY OF COLFAX

National Surety Corporation,)
a corporation,)
Plaintiff,)
vs.)
Tom Bressler,)
Defendant.)

No. 10293

FINAL JUDGMENT

This cause coming on regularly to be heard before the Honorable Livingston N. Taylor, Judge of the above named court, at Raton, Colfax County, New Mexico, on this 1st day of April, 1940, the plaintiff appearing by its attorneys, Crampton & Robertson, and the defendant failing to appear and making default; and it appearing to the court that on the 28th day of February, 1940, B. H. Mitchell, Sheriff of Colfax County, New Mexico, acting by his duly authorized deputy, Ruben Lopez, made service of the Summons, Complaint, Writ of Replevin, and Affidavit in Replevin herein on the defendant, Tom Bressler, by delivering on said date true copies of the Summons, Complaint, Writ of Replevin, and Affidavit in Replevin, all bound together, personally in Colfax County, New Mexico; and it further appearing to the court that the defendant, Tom Bressler, has wholly failed to appear, answer, move, demur, or otherwise plead herein, all of which more

fully appears from the Clerk's Certificate of Nonappearance on file herein; and it further appearing to the court that the said defendant is now in default.

NOW, THEREFORE, upon motion of the plaintiff, it is ordered, adjudged, and decreed by the court that judgment by default be, and the same hereby is, rendered in favor of the plaintiff and against the defendant, and that the plaintiff's Complaint and the plaintiff's Affidavit in Replevin be, and the same hereby is, taken as confessed by the defendant.

Thereupon, the plaintiff proceeded with the introduction of its evidence, and, the court having considered the evidence and being now in all things fully advised, the court makes the following

FINDINGS OF FACT

I

That the court has jurisdiction of the parties to and of the subject matter of this action; that the allegations, and each of them, contained in the plaintiff's Complaint and in the plaintiff's Affidavit in Replevin are true.

II

That the plaintiff is a corporation created, organized, and existing under and by virtue of the laws of the State of New York and duly authorized to transact business in the State of New Mexico; that the defendant is a resident of Colfax County, New Mexico.

III

That the plaintiff is and at all times material hereto has been the absolute owner and entitled to the possession of the following described goods, chattels, and personal property, to-wit:

29 Joints, 774-3/4 feet of 12½ inch lapweld casing,

15 Joints, aggregating 447-3/4 feet of 12½ inch seamless casing, all located in or about the so-called Marks well on Section 5, Township 25 North, Range 24 East, in Colfax County, New Mexico, excepting only a small portion thereof consisting of approximately 200 feet which has heretofore been removed

from the location of said well.

IV

That prior to the institution of this action and at the time of the institution of this action, the defendant wrongfully detained all said property above described from the plaintiff.

V

That the plaintiff's right of action accrued within one year prior to the filing of its complaint.

VI

That plaintiff waives its claim for damages on account of the defendant's detention of the property above described.

WHEREFORE, the court concludes as a matter of law that the plaintiff is entitled to the relief prayed for in its Complaint.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED by the court,

1. That the plaintiff have and recover judgment for the recovery of the possession of said property herein above described in Finding of Fact number III hereof, and the plaintiff is adjudged to be the absolute owner thereof and to be entitled to the immediate possession thereof.

2. That the plaintiff have and recover judgment against the defendant for the costs of this action in the sum of \$21.42, for all of which let execution issue forthwith.

Done by the court this 1st day of April, 1940.

(Signed) Livingston N. Taylor

District Judge.

STATE OF NEW MEXICO)
) ss.
COUNTY OF COLFAX)

I, Doris O'Brien, Clerk of the District Court of Colfax County, New Mexico, hereby certify that the above and foregoing constitutes a true, perfect, and complete copy of the Final Judgment made and entered by said court in Cause No. 10293, which cause is entitled National Surety Corporation, a corporation, Plaintiff, vs. Tom Bressler, Defendant, which

said judgment was filed on the 1st day of April, 1940.

Dated this 11th day of April, 1940.

(Signed) Doris O'Brien
Clerk of Said District Court

(SEAL)

By A. J. Stanley - Deputy"

BY MR. ROBERTSON: I think that concludes our evidence on the matter of our title. It seems to me self-evident in view of the documents introduced. Now, turning to the status of the well itself, as an abandoned well, before Mr. Denton testifies, I will ask leave to explain what the file shows. I think, in a general way, Miss Marks from the very beginning has been seriously delinquent in filing reports -- I don't think any log has been filed - in fact, I don't think anything has been complied with except filing of the bond.

I will ask Mr. Livingston to explain the situation. Mr. Livingston, will you be kind enough to take that file and explain to the Commission what Miss Marks has done?

BY MR. LIVINGSTON: The well file in connection with this particular well is very meager. The only thing in the file is the approved notice of intention to drill and the other matters pertaining to the acceptance of the drilling bond. There appears to be an affidavit -- here is an affidavit signed by Harry Foster with regard to the original filing, but so far as the well record is concerned, the file is very, very meager.

BY MR. ROBERTSON: Would you be kind enough to state, for the record, the date of the last instrument which appears in the file?

BY MR. LIVINGSTON: The last instrument, - the first, which is also the last, notice of intention to drill, dated January 15, 1938, and approved January 15, 1938, by A. Andreas, Acting State Geologist.

BY MR. ANDREAS: Upon the approval and acceptance of the bond?

BY MR. LIVINGSTON: The bond was accepted January 24, 1938.

YORK DENTON,

being called as a witness, and being first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined by Mr. Robertson, and testified as follows:

DIRECT EXAMINATION

Q Your name is York Denton?

A Yes, sir.

Q You live at Maxwell, New Mexico?

A Yes, sir.

Q You are President of the Teneja Oil Company?

A I am.

Q Did your company make a drilling contract with Winston Marks in October, 1937?

A Yes, sir.

Q Do you know about when Miss Marks started to drill?

A She moved the tools and equipment on the location in December, 1939.

Q Did she later commence to drill?

A She did.

Q Up until what time did she continue?

A Either July or August, to the best of my remembrance, July, 1938 is when she lost some of the tools in the hole, as far as the bottom of the hole, I think that is the last drilling she did, bottom hole drilling. They were lost between 1515 and 1575 or 1600. At that time the well began to cave. They continued operations -- I would not say they worked steadily, but they did work at different times to obtain that bit, and during a fishing job they lost two bailers. Operations continued there until the latter part of December, 1938.

Q Was there a fire about December, 1938?

A There was. I was in Albuquerque on December 24th, 1938, and Mr. Brown and Mr. French, stockholders in our oil company, called me at Albuquerque and told me the Marks well had burned down - that is, the rigging and drilling equipment she had over there --

BY MR. ANDREAS: Was that the day of the fire?

A Yes, it burned at one or two o'clock in the afternoon of December 24, 1938.

BY MR. ROBERTSON:

Q Has there ever been any drilling done out there since that time?

A No, sir, not up to the first of this month. I was over there three weeks ago Saturday at the location, and there has been no drilling done since, and no equipment set up to drill.

Q You have no reason to believe any drilling has been done since the first of the month?

A No, I don't.

Q Have you, by contract or otherwise, tried to get Winston Marks to go ahead with drilling operations?

A We did. I believe you have the contract.

Q I hand you Petitioner's Exhibit No. 6, dated October 7, 1939, and ask you if that is the proposal which the Teneja Oil Company made to Winston Marks on that date?

A It is a copy.

Q Was the original signed by yourself as President?

A It was.

BY MR. ROBERTSON: We offer Petitioner's Exhibit No. 6 in evidence.

PETITIONER'S EXHIBIT No. 6

"Raton, New Mexico October 7, 1939

Miss Winston Marks
Herring Hotel
Amarillo, Texas

Dear Madam:

This is to confirm our oral understanding entered into with you yesterday evening.

We understand that you desire to resume drilling operations under your contract with us dated October 28, 1937, or to assign that contract to Mr. L. W. Alexander of Oklahoma City, Oklahoma.

We hereby consent to such assignment and hereby consent that you may resume drilling operations under the above mentioned drilling contract under the following conditions:

1. You or your assignee must actually resume drilling operations within thirty (30) days from this date.

2. Drilling operations may be continued in the hole already started, or, if that is deemed impracticable, you or your assignee may drill a new hole on the same location.

3. Drilling operations must proceed and continue with due diligence until the drilling is complete according to the terms of the contract.

4. This consent does not in any way cancel or abrogate the contract above mentioned, and, in the event that you or your assignee proceed hereunder, the said former contract shall remain in full force and effect in all its terms and provisions except as herein expressly modified.

5. We hold oil and gas leases on approximately 3,000 acres, a description of which acreage is attached hereto marked "Exhibit A". If you or your assignee comply with all the foregoing conditions, we will assign the oil and gas leases covering the above mentioned acreage to you or your assignee at the times hereinafter specified, with the express understanding that we shall not be compelled to pay any rentals accruing or becoming due under the terms of such oil and gas leases, but all such rentals shall be paid by you or your assignee. The assignments shall be made by us to you or your assignee as follows:

- (a) As soon as the complete rig is placed on location and ready to start work, leases covering 1,000 acres shall be assigned.
- (b) If drilling is resumed in the present hole, then as soon as the hole is cleaned out and drilling operations are actually started, the leases covering the remaining 2,000 acres shall be assigned. If, on the other hand, drilling operations are not resumed in the present hole, but a new hole is started, then as soon as said hole has been drilled to a depth of 1,000 feet, the leases covering the remaining 2,000 acres shall be assigned.

As soon as we are notified by you or your assignee of definite acceptance of this arrangement, we will execute all the assignments and place them in escrow with First National Bank in

Raton, Raton, New Mexico.

6. This proposed arrangement must be definitely accepted in writing by you or (in the event of an assignment) by your assignee within ten (10) days from this date. Otherwise, this entire offer will be automatically withdrawn.

7. In the event that this offer is accepted, we will be willing to enter into a more detailed written contract if that is considered necessary by you or your assignee.

Very truly yours,

TENEJA OIL COMPANY

By _____
Its President

EXHIBIT A

	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Acres</u>
SW $\frac{1}{4}$	19	26 N.	24 E.	160
NW $\frac{1}{4}$	20	26 N.	24 E.	160
NW $\frac{1}{4}$	21	26 N.	24 E.	160
SW $\frac{1}{4}$	22	26 N.	24 E.	160
SE $\frac{1}{4}$	18	26 N.	24 E.	160
NW $\frac{1}{4}$	17	26 N.	24 E.	160
SE $\frac{1}{4}$	16	26 N.	24 E.	160
SW $\frac{1}{4}$	7	26 N.	24 E.	160
SE $\frac{1}{4}$	13	26 N.	23 E.	160
SE $\frac{1}{4}$	13	25 N.	23 E.	160
NW $\frac{1}{4}$	12	25 N.	23 E.	160
NE $\frac{1}{4}$	1	25 N.	23 E.	160
SW $\frac{1}{4}$	36	26 N.	23 E.	160
SW $\frac{1}{4}$	31	26 N.	24 E.	160
NW $\frac{1}{4}$	9	25 N.	24 E.	160
NE $\frac{1}{4}$	32	26 N.	24 E.	160
SW $\frac{1}{4}$	35	26 N.	24 E.	160
NE $\frac{1}{4}$	27	26 N.	24 E.	160
W $\frac{1}{2}$ NW $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$	34	26 N.	24 E.	<u>120</u>

3,000^m

Q Under that proposal at any time, under paragraph No. 1, it appears that Miss Marks was told she or her assignee must actually resume drilling operations within thirty days after October 7, 1939. She did not do that, did she?

A No, sir.

Q Did you send her, sometime after that, notice of the cancellation of the contract?

A I did.

Q I hand you Petitioner's Exhibit No. 7, dated December 16, 1939, and ask you if that is a copy of the notice which your company sent to Miss Marks?

A It is.

Q Was the original signed by you as President?

A Yes, sir.

BY MR. ROBERTSON: We offer Petitioner's Exhibit No. 7 in evidence.

PETITIONER'S EXHIBIT No. 7

"Raton, New Mexico, December 16, 1939

Miss Winston Marks
Herring Hotel
Amarillo, Texas

Dear Miss Marks:

Please take notice that neither you nor your assignee or assignees, if any there be, have complied with the provisions of that certain contract entered into between the Teneja Oil Company and yourself on the 7th day of October, 1939, at Raton, New Mexico, covering the drilling of a well near the Town of Maxwell, Colfax County, New Mexico, and the assignment of certain oil and gas leases, description of which is attached to said contract and marked Exhibit A, and that because of and by reason of your default, or that of your assignee or assignees, in the premises the said contract is now in all things cancelled by the undersigned company and held for naught, and you are notified to remove your property or the property of any persons employed by you or any assignee of yours from the premises within the period of thirty (30) days from the date hereof.

TENEJA OIL COMPANY

By _____ Its President"

Q If I understand correctly, it is your position and the position of your company that Miss Marks has abandoned operations under this well?

A Yes.

BY MR. ROBERTSON: I think that is all the questions I have.

BY MR. LIVINGSTON:

Q Mr. Denton, I understood you to say that the tools were removed from the well site before the fire, or after the fire?

A What equipment was left after the fire was moved.

BY MR. ANDREAS: The other equipment, outside of the casing, has nothing to do with this case? I understand that was settled in court, with regard to the tools?

BY MR. ROBERTSON: I can explain that. I also represent the fire insurance company which carried the insurance on the derrick, and that was \$9,900.00. After the amount of the loss was adjusted by the fire insurance company, that company received so many letters and claims against Winston Marks that the fire insurance company felt compelled to pay the money into court in an interpleader suit, so that the fire insurance company could be released and let the court distribute the money. That was done in Colfax County, and roughly speaking, the claims were about twice \$9,000.00 and settlement was made among the claimants by consent at, roughly speaking, a basis of fifty cents on the dollar. The only thing we are concerned about in this case is the casing itself.

BY MR. ANDREAS: (To Mr. Denton)

Q Did you ever get a reply to this letter of December 16th, at any time?

A No, I did not.

Q Did you receive any reply at all?

A No.

Witness dismissed.

G. W. ROBERTSON,

being first duly sworn to tell the truth, the whole truth and nothing but the truth, testifying on behalf of the Petitioner, testified as follows:

DIRECT EXAMINATION

Since about August, 1939, I have been employed by the National Surety Company to see what could be done about their claim against Winston Marks and its rights in this case. Associated with me in this case is a firm of lawyers in Amarillo, Texas. Mr. Ochsner, of that firm, is the man who has handled this business. We have been working together in every way possible to try to salvage what could be salvaged out of this situation, and from August, 1939 up until now, and our experience has been that if we are lucky -- we might get an appointment with Winston Marks to discuss it, and she would not show up. We would get a letter indicating that on or before the following Monday, or Tuesday, she would have something, then we would hear nothing. Most of the negotiations with Miss Marks have been in that condition. But for the last several months we have been unable to get in touch with her. In fact, we do not know now where she is. I understand Mr. Livingston was adroit enough to get a notice to her of this hearing, but I don't know where she is. At one time, particularly in the interpleader proceedings, Miss Marks was represented by V. A. Doggett, an attorney at Raton, and by Mr. Doggett's assistant, Mr. John Tittman. After the conclusion of the interpleader proceedings I approached Mr. Tittman and urged him if possible to do something to adjust our claim. I told him we were not particularly anxious to go to the expense of bringing a case in court, and if she would give any intention of proceeding with the drilling, the casing would be worth much more to her than to the surety company -- I cannot say the exact date, but I am sure it was the latter part of 1939, and he communicated that suggestion to her, but has never had any response from her, and certainly we have

never had any kind of an offer from Miss Marks or anything to suggest that she was interested in what happened to the well or the casing.

BY MR. ANDREAS: Can you recall the last date you have had any communication, verbal or otherwise, from Miss Marks?

A The last time I ever saw her or had any communication from her would be along about, - oh, prior to August of 1939. I have not seen her or heard from her myself, I would say for several months, at least.

BY MR. LIVINGSTON: For the information of the Commission, on March 27th I enclosed to Miss Marks a notice of this hearing and a brief letter telling her when the hearing would be held, and sent it by registered mail with a return receipt requested, and on March 27th; it was received by Miss Marks on April 3, 1940 -- we heard she could be reached at her hotel, so we got the registered notice and return receipt in the file, showing she is not without notice of this hearing, actual notice.

Witness dismissed.

BY MR. ANDREAS: I want to ask Mr. Denton a question. As a practical oil man, familiar with that well and the operations, in your opinion do you think that well can be cleaned out and deepened?

A My opinion is that I am an amateur -- this is my first venture, in giving Miss Marks this contract to put down this one well. Since that time I have drilled a well on the NE $\frac{1}{4}$ of that tract, it is down 1550. Knowing what I do about the records, and the tools in the hole, - the tools being in the hole - according to Mr. Foster's statement there is another string of tools in the hole besides the bit at the bottom. All oil contractors tell me they would rather start a new hole than undertake to clean out a hole like that.

BY MR. ROBERTSON: In arriving at a conclusion, I hope the evidence here is considered sufficient, - I hope the Commission will feel that the well is utterly abandoned and will give permission

to remove the casing from the well and permit us to go ahead and plug the well.

In the matter of plugging the well, necessarily the surety company is not in the oil business. We will have to do that plugging by getting an oil man to do it. I understand from Mr. Livingston that there is a proper procedure necessary, and in the event the decision of the Commission is favorable, it is necessary to file in triplicate notice of intention to plug the well, and how we propose to do it, and when that is approved and after the work is done a report must be filed. I am frank to say, I don't know how to plug a well, or how it should be plugged. Whatever way the Commission wants, they will plug it that way. In preparing the notice I would be thankful for any suggestion the Commission has to offer for the proper way.

BY MR. ANDREAS: If the Commission makes a decision in this case, in the event it is declared abandoned, we can send to you the proper forms.

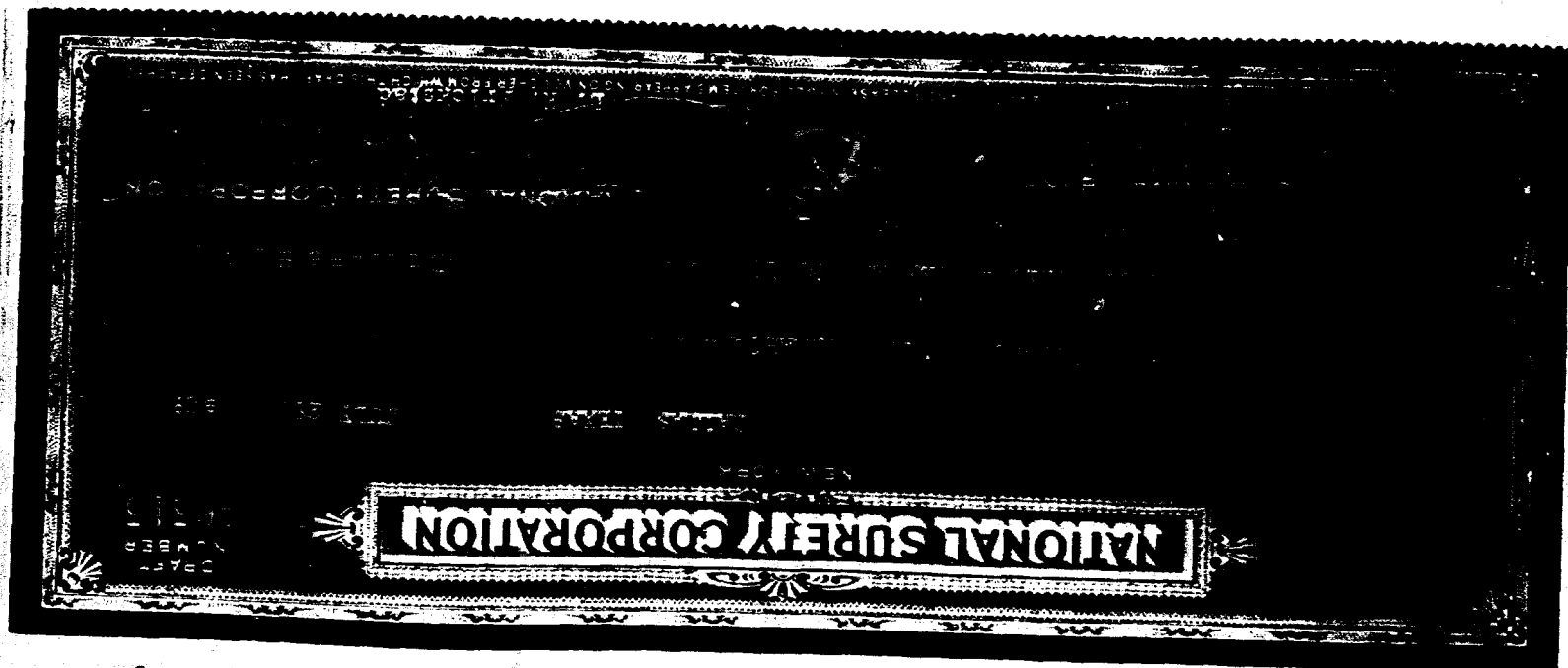
BY MR. ROBERTSON: I have the forms.

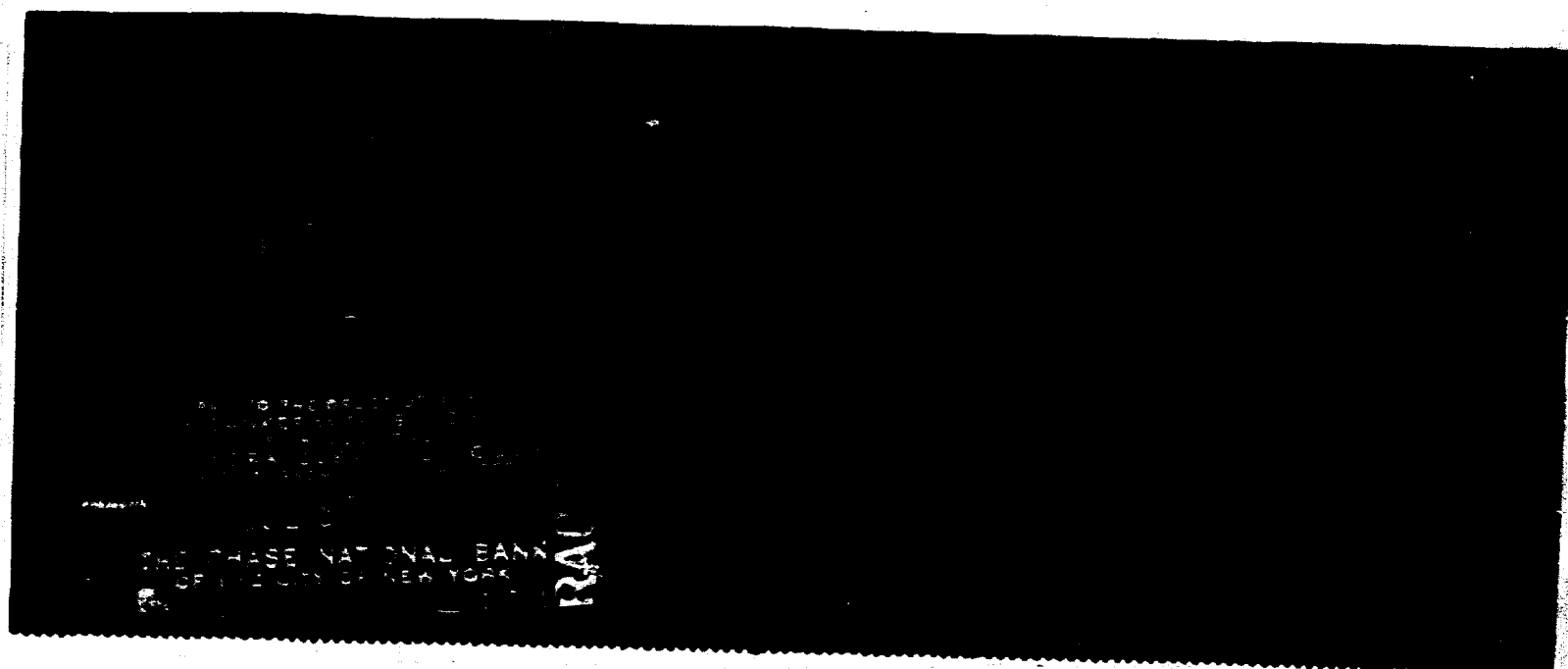
BY MR. ANDREAS: We can communicate with you and instruct you, or whoever you have to plug the well, how it should be done.

C E R T I F I C A T E

I hereby certify that the foregoing twenty-five and one-half pages of typewritten matter are a true, correct and complete transcript of the shorthand notes taken by me in the above entitled cause on the 15th day of April, 1940, before the Oil Conservation Commission, and by me extended into typewriting, together with the exhibits offered in evidence at the time of said hearing.

Witness my hand this 20th day of April, 1940.





PAID TO THE ORDER OF
THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

RAU

KNOW ALL MEN BY THESE PRESENTS:

That we, Winston Marks, of Marilla, Texas (hereinafter called the principal), as principal and the NATIONAL SURETY CORPORATION, of New York (hereinafter called the surety), as surety, are held and firmly bound unto Kevin Sullivan, of Oklahoma (hereinafter called the obligee) in the sum of Five Thousand Dollars (\$5,000.00) (which sum is hereby agreed to be the amount of lawful money of the United States of America claimable and recoverable hereunder) well and truly to be paid and for the payment of which sum of money of the United States of America we and each of us hereby bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

Dated this 11th day of July, 1933.

The conditions of the above and foregoing obligation are such that, WHEREAS, the principal has entered into a certain contract, bearing date of July 11, 1938 with the said Marjorie Halligan, of Oklahoma covering the renting, use and return of certain oil land, as defined in the said rental contract, a copy of which is hereto marked Exhibit "A" and made a part hereof.

NOW, THEREFORE, if the said Winston Barker shall fully and completely perform any and all terms and conditions of said contract hereto attached and marked Exhibit "A", except such as hereinafter mentioned, then this obligation shall be void, otherwise to remain in full force and effect.

This bond does not guarantee payment to the obligee for the full amount of the bond on the pipe as set forth in the contract.

This instrument shall be signed by the President, or
some other officer authorized by him in writing, and shall be
attested by some other officer authorized by him in writing,
and its provisions shall be binding upon the Government.
The President, or some other officer authorized by him in
writing, may also sign such instrument, and it shall be
binding upon the Government.

1 the foregoing officers with its seal affixed and duly attested; nor shall
2 the obligee consent to an assignment of the contract or any part thereof
3 or consideration therefor without the express consent of the Corporation
4 duly executed and attested as aforesaid; nor shall this instrument or any
5 rights thereunder be assignable unless with like consent duly executed and
6 attested as aforesaid.

7 No action, suit or proceeding shall be had or maintained against
8 the corporation on this instrument unless the same be brought or
9 instituted and process served upon the corporation therein within
10 six months after the principal shall cease performing the work
11 mentioned in said contract and in no event after six months after
12 the date, time or period fixed in said contract for the completion
13 of the work mentioned therein.

14 All notices and other evidence required by this instrument to be
15 furnished by the obligee to the corporation shall be in writing, and
16 shall be forwarded by registered letter addressed to the corporation
17 at its principal office in the City of New York,

18 That no right of action shall accrue upon or by reason hereof,
19 to or for the use or benefit of any one other than the obligee
20 herein named; and that the obligation of the corporation is and
21 shall be construed strictly as one of suretyship only; and that this
22 instrument shall be executed by the principal before delivery and in no
23 event, nor for any cause whatsoever shall the penal sum of this instrument
24 be extended or increased beyond the sum of lawful money of the United
25 States of America set forth in line numbered 7 thereof, notwithstanding
26 anything to the contrary in or arising out of the contract between the
27 Principal and Obligor.
28
29
30
31
32

This agreement made this 11th day of July, 1946, by and between Morris Marks, Party of the First Part, and the State of Texas, Party of the Second Part, concerning the drilling of a well on the SE 1/4 Sec. 5, T14N 26E, R12E, S.

Parties of the First Part agree to furnish casing to Party of the Second Part, and gas upon the following terms: SE 1/4 Sec. 5, T14N 26E, R12E, S.

Party of the Second Part agrees to furnish casing to Party of the First Part, and gas upon the following terms: SE 1/4 Sec. 5, T14N 26E, R12E, S.

Party of the Second Part agrees to furnish casing to Party of the First Part, and gas upon the following terms: SE 1/4 Sec. 5, T14N 26E, R12E, S.

In the event the well is completed, the price of \$2.15 per foot for the casing, Seamless is furnished, said title to be unless and until full and complete payment.

In the event of a dry hole, damages to the casing or casing pipe, not be recovered from the well, assumed by both parties that the casing before running in the hole, and running, and when pipe recovered in same inspector at the drilling location damages.

Party of the Second Part agrees to connection with the use and running of First Part free and harmless from any performance or representation of the privilege of inspection of casing, of loading, and to accept any pipe or casing.

Party of the Second Part agrees to casing within or at the expiration of the In the event casing is to be returned, casing to the vicinity of its present location.

IT IS AGREED by both parties that of the Second Part, harmless from any Party of Second Part in this agreement specifically refer to this agreement, value of material and equipment.

In WITNESS WHEREOF, the parties have this 11th day of July, 1946.

STATE OF TEXAS, County of Harris, I, the undersigned, to be the State of Texas, acknowledged, thereunto.

P. E. ELLIS & SONS
216.

RENTAL AGREEMENT

This Agreement made and entered into this 11th day of July, 1938, by and between Morris Zeligson, Party of the First Part, and Winston Marks, Party of the Second part, as follows:

WHEREAS, Party of the First Part is the owner of approximately 1200 feet of 12-1/2" Casing, now located in the vicinity of Ellis, Kansas, and

WHEREAS, Party of the Second Part is now drilling a well for oil and gas upon the following described lease in Colfax County, New Mexico, being SE NW 1/4 Sec. 5. T19P 25 N R 24 E

Party of the First Part agrees to rent and furnish above mentioned casing to Party of the Second Part under the following terms and conditions:

Party of the Second part is to pay Party of the First Part the sum of \$500.00, and the cost of hauling from the present location to the drilling location, and an additional consideration of one 80-acre lease to be an offset to the drilling well, and an 80-acre lease within one mile of the drilling well. These payments to cover a rental period of 120 days.

In the event the well is a producer, Second Party will retain casing at a price of \$2.15 per foot for the Lapweld, and \$2.50 per foot for whatever Seamless is furnished. Said title to casing to remain in First Party's name unless and until full and complete payment is made by Second Party.

In the event of a dry hole, Second Party is to pay for any and all damages to the casing or collars and threads, and to pay for any pipe that may not be recovered from the well at prices hereinbefore mentioned. It will be assumed by both parties that the threads and collars are to be in first class order before running in the hole unless otherwise notified by Second Party before running, and when pipe recovered in event of dry hole, First Party will have same inspected at the drill-

ing location who will at that time designate any damages.

Party of the Second Part agrees to assume all responsibility in connection with the use and running of above casing and saves Party of the First Part free and harmless from any responsibility whatsoever as to the performance or representation of this casing, but Second Party to have full privilege of inspection of casing before running into well and at the time of loading, and to accept only pipe which is satisfactory upon the inspection.

Party of the Second Part agrees to either return or pay for the casing within or at the expiration of 120 days from the signing of this agreement. In the event casing is to be returned, Party of the Second Part will re-deliver casing to the vicinity of its present location free of any cost to First Party.

IT IS AGREED by both parties that accompanying this agreement, Party of the Second Part will furnish a guarantee to indemnify and save First Party harmless from any liens and encumbrances, and to guarantee the performance of Party of Second Part in this agreement in its entirety. Said indemnification to specifically refer to this agreement and its particulars, such as against liens, value of material and re-delivery.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals this 11th day of July, 1938.

Morris Zeligson
Party of the First Part

Winston Marks
Party of the Second Part

STATE OF TEXAS)
) ss.
COUNTY OF POTTER)

Before me, the undersigned authority, a Notary Public, in and for Potter County, Texas, on this day personally appeared Winston Marks a female sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of July,
A. D. 1938.

(SEAL)

W. S. Eakins
Notary Public, Potter County, Texas

STATE OF OKLAHOMA)
)
COUNTY OF TULSA) ss.

On this, the 10th day of August, 1939, before me personally
appeared Morris Zeligson, to me known to be the identical person described
in and who executed the foregoing instrument and acknowledged that he
executed the same as his free act and deed.

(SEAL)

Maxine Witt
Notary Public

STATE OF NEW MEXICO)
COUNTY OF COLFAX) ss.

I, Doris O'Brien, County Clerk of Colfax County, New Mexico,
hereby certify that the above and foregoing constitutes a true,
perfect, and complete copy of the Rental Agreement filed in my office
on the 11th day of August, 1939, under filing number M-3176, and
which said Rental Agreement is still on file in my office.

Dated this 11th day of April, 1940.

Doris O'Brien
County Clerk of Colfax County, N. M.

By A. J. Stanley Deputy

Relators Ex. 4
EN.

IN THE DISTRICT COURT OF THE EIGHTH JUDICIAL DISTRICT
OF THE STATE OF NEW MEXICO SITTING WITHIN AND FOR THE
COUNTY OF COLFAX

National Surety Corporation,
a corporation,

plaintiff,

vs.

Tom Bressler,

Defendant.

No. 10293

FINAL JUDGMENT

This cause coming on regularly to be heard before the Honorable Livingston N. Taylor, Judge of the above named court, at Raton, Colfax County, New Mexico, on this 1st day of April, 1940, the plaintiff appearing by its attorneys, Crampton & Robertson, and the defendant failing to appear and making default; and it appearing to the court that on the 28th day of February, 1940, B. H. Mitchell, Sheriff of Colfax County, New Mexico, acting by his duly authorized deputy, Ruben Lopez, made service of the Summons, Complaint, Writ of Replevin, and Affidavit in Replevin herein on the defendant, Tom Bressler, by delivering on said date true copies of the Summons, Complaint, Writ of Replevin, and Affidavit in Replevin, all bound together, personally in Colfax County, New Mexico; and it further appearing to the court that the defendant, Tom Bressler, has wholly failed to appear, answer, move, demur, or otherwise plead herein, all of which more fully appears from the Clerk's Certificate of Nonappearance on file herein; and it further appearing to the court that the said defendant is now in default.

NOW, THEREFORE, upon motion of the plaintiff, it is ordered, adjudged, and decreed by the court that judgment by default be, and the same hereby is, rendered in favor of the plaintiff and against the

defendant, and that the plaintiff's Complaint and the plaintiff's Affidavit in Replevin be, and the same hereby is, taken as confessed by the defendant.

Thereupon, the plaintiff proceeded with the introduction of its evidence, and, the court having considered the evidence and being now in all things fully advised, the court makes the following

FINDINGS OF FACT

I

That the court has jurisdiction of the parties to and of the subject matter of this action; that the allegations, and each of them, contained in the plaintiff's Complaint and in the plaintiff's Affidavit in Replevin are true.

II

That the plaintiff is a corporation created, organized, and existing under and by virtue of the laws of the State of New York and duly authorized to transact business in the State of New Mexico; that the defendant is a resident of Colfax County, New Mexico.

III

That the plaintiff is and at all times material hereto has been the absolute owner and entitled to the possession of the following described goods, chattels, and personal property, to-wit:

29 Joints, 774-3/4 feet of 12 $\frac{1}{2}$ inch lapweld casing,
15 Joints, aggregating 447-3/4 feet of 12 $\frac{1}{2}$ inch seamless casing, all located in or about the so-called Marks well on Section 5, Township 25 North, Range 24 East, in Colfax County, New Mexico, excepting only a small portion thereof consisting of approximately 200 feet which has heretofore been removed from the location of said well.

IV

That prior to the institution of this action and at the time of the institution of this action, the defendant wrongfully detained all said property above described from the plaintiff.

V

That the plaintiff's right of action accrued within one year prior to the filing of its complaint.

VI

That plaintiff waives its claim for damages on account of the defendant's detention of the property above described.

WHEREFORE, the court concludes as a matter of law that the plaintiff is entitled to the relief prayed for in its Complaint.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED by the court,

1. That the plaintiff have and recover judgment for the recovery of the possession of said property herein above described in Finding of Fact number III hereof, and the plaintiff is adjudged to be the absolute owner thereof and to be entitled to the immediate possession thereof.

2. That the plaintiff have and recover judgment against the defendant for the costs of this action in the sum of \$21.42, for all of which let execution issue forthwith.

Done by the court this 1st day of April, 1940.

Livingston N. Taylor
District Judge.

STATE OF NEW MEXICO)
COUNTY OF COLFAX) ss.

I, Doris O'Brien, Clerk of the District Court of Colfax County, New Mexico, hereby certify that the above and foregoing constitutes a true, perfect, and complete copy of the Final Judgment made and entered by said court in Cause No. 10293, which cause is entitled National Surety Corporation, a corporation, Plaintiff, vs. Tom Bressler, Defendant, which said judgment was filed on the 1st day of April, 1940.

Dated this 11th day of April, 1940.

Doris O'Brien
Clerk of Said District Court.

By A J Stanley - Deputy

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS, THAT I, Morris Zeigener, in consideration of the sum of \$100.00 (One Hundred Dollars), and other good and valuable consideration, to me in hand paid, by National Surety Corporation, the receipt of which is hereby acknowledged, have granted, bargained, sold and assigned, and by these presents do hereby grant, bargain, sell and assign unto National Surety Corporation, its successors or assigns, all of my right, title, interest in, to, or ownership in the following described property, located in an about a partially drilled test well, the drilling of which was commenced by Winston Marks, on the Northwest Quarter (NW¹) of the Northwest Quarter (NW¹) of Section Five (5), Township Twenty-Five (25) North, Range Twenty-four (24) East, Colfax County, New Mexico, to-wit:

29 Joints, 776 3/4 feet of 1 1/2 inch casing.

15 Joints, aggregating 447 3/4 feet of 1 1/2 inch seamless casing.

to have and to hold the same unto the said National Surety Corporation, its successors and assigns forever; PROVIDED HOWEVER, that this assignment is made without warranty, and assignor has not at any time, prior or subsequent to a contract with Winston Marks, encumbered this property.

Dated this the 28th day of July, 1939.


Morris Zeigener

WITNESSES TO ASSIGNMENT:


Address


Address

STATE OF OKLAHOMA

COUNTY OF TULSA

Before me, Frances Thompson, a Notary Public, within and for the State of Oklahoma, on this 28th day of July, 1939, personally appeared Morris Zeigener, known to me to be the identical person who executed the above and foregoing assignment, and he acknowledged to me that he executed the same as his free act and deed, and that he was not under any duress, coercion, or fraud.



Petitioner's Ex. 11-1
902
Raton, New Mexico
October 7, 1939

Miss Winston Marks
Herring Hotel
Amarillo, Texas

Dear Madam:

This is to confirm our oral understanding entered into with you yesterday evening.

We understand that you desire to resume drilling operations under your contract with us dated October 28, 1937, or to assign that contract to Mr. L. W. Alexander of Oklahoma City, Oklahoma.

We hereby consent to such assignment and hereby consent that you may resume drilling operations under the above mentioned drilling contract under the following conditions:

1. You or your assignee must actually resume drilling operations within thirty (30) days from this date.
2. Drilling operations may be continued in the hole already started, or, if that is deemed impracticable, you or your assignee may drill a new hole on the same location.
3. Drilling operations must proceed and continue with due diligence until the drilling is complete according to the terms of the contract.
4. This consent does not in any way cancel or abrogate the contract above mentioned, and, in the event that you or your assignee proceed hereunder, the said former contract shall remain in full force and effect in all its terms and provisions except as herein expressly modified.
5. We hold oil and gas leases on approximately 3,000 acres, a description of which acreage is attached hereto marked "Exhibit A." If you or your assignee comply with all the foregoing conditions, we will assign the oil and gas leases covering the above mentioned acreage to you or your assignee at the times hereinafter specified, with the express understanding that we shall not be compelled to pay any rentals accruing or becoming due under the terms of such oil and gas leases, but all such rentals shall be paid by you or your assignee. The assignments shall be made by us to you or your assignee as follows:
 - (a) As soon as the complete rig is placed on location and ready to start work, leases covering 1,000 acres shall be assigned.
 - (b) If drilling is resumed in the present hole, then as soon as the hole is cleaned out and drilling operations are actually started, the leases covering the remaining 2,000 acres shall be assigned. If, on the other hand, drilling operations are not resumed in the present hole, but a new hole is started, then as soon as said hole

Miss Winston Marks

October 7, 1939

has been drilled to a depth of 1,000 feet, the leases covering the remaining 2,000 acres shall be assigned.

As soon as we are notified by you or your assignee of definite acceptance of this arrangement, we will execute all the assignments and place them in escrow with First National Bank in Raton, Raton, New Mexico.

6. This proposed arrangement must be definitely accepted in writing by you or (in the event of an assignment) by your assignee within ten (10) days from this date. Otherwise, this entire offer will be automatically withdrawn.

7. In the event that this offer is accepted, we will be willing to enter into a more detailed written contract if that is considered necessary by you or your assignee.

Very truly yours,

TENEJA OIL COMPANY

By _____
Its President

EXHIBIT A

	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Acres</u>
SW $\frac{1}{4}$	19	26 N.	24 E.	160
NW $\frac{1}{4}$	20	26 N.	24 E.	160
NW $\frac{1}{4}$	21	26 N.	24 E.	160
SW $\frac{1}{4}$	22	26 N.	24 E.	160
SE $\frac{1}{4}$	18	26 N.	24 E.	160
NE $\frac{1}{4}$	17	26 N.	24 E.	160
SE $\frac{1}{4}$	16	26 N.	24 E.	160
SW $\frac{1}{4}$	7	26 N.	24 E.	160
SE $\frac{1}{4}$	13	26 N.	23 E.	160
SE $\frac{1}{4}$	13	25 N.	23 E.	160
NW $\frac{1}{4}$	12	25 N.	23 E.	160
NE $\frac{1}{4}$	1	25 N.	23 E.	160
SW $\frac{1}{4}$	36	26 N.	23 E.	160
SW $\frac{1}{4}$	31	26 N.	24 E.	160
NE $\frac{1}{4}$	9	25 N.	24 E.	160
NE $\frac{1}{4}$	32	26 N.	24 E.	160
SW $\frac{1}{4}$	35	26 N.	24 E.	160
NE $\frac{1}{4}$	27	26 N.	24 E.	160
W $\frac{1}{2}$ NW $\frac{1}{4}$ and SE $\frac{1}{4}$ NW $\frac{1}{4}$	34	26 N.	24 E.	120
				<u>3,000</u>

Rel. 11/16/39
3

Raton, New Mexico
December 16, 1939

Miss Winston Marks
Harring Hotel
Amarillo, Texas

Dear Miss Marks:

Please take notice that neither you nor your assignee or assignees, if any there be, have complied with the provisions of that certain contract entered into between the Temaja Oil Company and yourself on the 7th day of October, 1939, at Raton, New Mexico, covering the drilling of a well near the Town of Maxwell, Gelfax County, New Mexico, and the assignment of certain oil and gas leases, description of which is attached to said contract and marked Exhibit A, and that because of and by reason of your default, or that of your assignee or assignees, in the premises the said contract is now in all things cancelled by the undersigned company and held for naught, and you are notified to remove your property or the property of any persons employed by you or any assignee of yours from the premises within the period of thirty (30) days from the date hereof.

TEMAJA OIL COMPANY

By _____
Its President

CASE NO. 20.

THE PETITION OF NATIONAL SURETY CORPORATION TO HAVE DETERMINED
STATUS OF WELL KNOWN AS WINSTON MARKS WELL, LOCATED UPON SE $\frac{1}{4}$ NW $\frac{1}{4}$,
SECTION 5, TOWNSHIP 25 NORTH, RANGE 24 EAST (COLFAX COUNTY), AS
ABANDONED; TO WITHDRAW CASING THEREFROM AND PLUG SAID WELL IN
ACCORDANCE WITH REQUIREMENTS OF NEW MEXICO OIL CONSERVATION
COMMISSION.

NAME

G.W. Robertson for National Surety Corporation -
York Denton

ADDRESS

Raton, N.M.
Marquette N.M.

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE
OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 20.

ORDER NO. 257.

THE PETITION OF NATIONAL SURETY CORPORATION TO HAVE DETERMINED THE STATUS OF THE WELL KNOWN AS THE WINSTON MARKS WELL, LOCATED UPON THE SE $\frac{1}{4}$ NW $\frac{1}{4}$, SECTION 5, TOWNSHIP 25 NORTH, RANGE 24 EAST (COLFAX COUNTY), AS ABANDONED; TO WITHDRAW CASING THEREFROM AND PLUG SAID WELL IN ACCORDANCE WITH THE REQUIREMENTS OF THE NEW MEXICO OIL CONSERVATION COMMISSION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A. M., April 15, 1940, at Santa Fe, New Mexico.

NOW, on this 15th day of April, 1940, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, the Commission finds:

F I N D I N G S

1. That notice by publication of the filing of the application herein, the time and the place of the hearing thereon, and the purpose of said hearing, have been regularly given in all respects as required by law, and the Commission has jurisdiction of the subject matter embraced in said petition and of the parties interested therein, and jurisdiction to issue and promulgate the hereinafter prescribed order.

2. That the well generally known as the Winston Marks Well, located upon the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 5, Township 25 North, Range 24 East (Colfax County), is not a producer, has some tools lost in the bottom of the hole, is unplugged, drilling activities in connection therewith have either ceased or have been negligible for an unreasonably long time, and in such sense is an abandoned well.

3. That the Petitioner is the Surety upon Mrs. Winston Marks' plugging bond upon Form 39-B1, written in the sum of \$5,000.00, conditioned in substance upon approved abandonment of said well.

O R D E R

IT IS THEREFORE ORDERED by the Oil Conservation Commission of the State of New Mexico as follows:

1. That the Winston Marks Well, located upon the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 5, Township 25 North, Range 24 East (Colfax County), is an abandoned well and should be plugged in accordance with the rules and regulations of the Oil Conservation Commission.

2. That the Petitioner's petition to plug said well and to withdraw casing therefrom is hereby granted in accordance with the rules and regulations of the Commission, subject, however, to the following:

- A. To the usual administrative requirements of the Commission in the process of abandoning said well;
- B. To the Petitioner having and assuming full responsibility for right of way over the premises involved for the purpose of accomplishing such abandonment;
- C. To the Petitioner having and assuming full responsibility for title of said casing and for any and all liens thereupon.

OIL CONSERVATION COMMISSION

By

Paul W. Worthington
Commissioner of Public Lands

By

A. Andrus
State Geologist

CASE NO. 20.

ORDER OF PROCEDURE TO CONSIDER THE PETITION
OF NATIONAL SURETY CORPORATION TO HAVE
DETERMINED THE STATUS OF THE WINSTON MARKS
WELL AS ABANDONED, TO WITHDRAW CASING THEREFROM
AND PLUG SAID WELL.

1. GOVERNOR MILES OPENS MEETING AND MAKES SUCH REMARKS AS HE DEEMS APPROPRIATE.
2. COMMISSIONER WORDEN ORDERS READING OF NOTICE OF HEARING.
3. WHEN READING OF NOTICE IS FINISHED, COMMISSIONER WORDEN ANNOUNCES THAT THE COMMISSION IS READY TO PROCEED.

NOTICE FOR PUBLICATION

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

Pursuant to Chapter 72, Session Laws of 1935, State of New Mexico, by which Act the Oil Conservation Commission of New Mexico was created, investing said Commission with the jurisdiction and authority over all matters relating to the conservation of oil and gas in this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capitol, Santa Fe, New Mexico, on the 15th day of April, 1940, at ten o'clock A.M., for the purpose of considering the following:

Case No. 20.

The petition of National Surety Corporation to have determined the status of the well known as the Winston Marks Well, located upon the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 5, Township 25 North, Range 24 East (Colfax County), as abandoned; to withdraw casing therefrom and plug said well in accordance with the requirements of the New Mexico Oil Conservation Commission.

Resident attorney for petitioner is G. W. Robertson, Raton, New Mexico.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on March 27,, 1940.

OIL CONSERVATION COMMISSION

By _____
Governor

By Frank W. Warden
Commissioner of Public Lands.

By A. Anderson
State Geologist.

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

In the Matter of the Winston }
Marks Well in Sec. 5-25N-24E, }
Colfax County, New Mexico. }

PETITION OF NATIONAL SURETY CORPORATION

Comes now National Surety Corporation, a corporation organized and existing under and by virtue of the laws of the State of New York, and authorized to do business in the State of New Mexico, and duly qualified in the State of New Mexico to do a surety business, and respectfully shows to the Oil Conservation Commission:

I

That said National Surety Corporation is the owner of and is entitled to the possession of the following described goods, chattels, and personal property, to-wit:

29 Joints, 774-3/4 feet of 12 $\frac{1}{2}$ inch lapweld casing, 15 Joints, aggregating 447-3/4 feet of 12 $\frac{1}{2}$ inch seamless casing, all located in or about the so-called Marks well on Section 5, Township 25 North, Range 24 East, in Colfax County, New Mexico, excepting only a small portion thereof consisting of approximately 200 feet which has heretofore been removed from the location of said well.

By way of explanation of its claim of ownership and for the information of the Commission, but without limiting in any manner the foregoing allegation of ownership and right of possession, said National Surety Corporation alleges:

- (a) That on or about the 11th day of July, 1938, one Morris Zeligson, being then the absolute owner of and in possession of the casing above-described, made and entered into a certain rental agreement with Winston Marks of Amarillo, Texas; that a true copy of said rental agreement is attached hereto, marked Exhibit "A," and by this reference made a part of this petition; that said agreement

was duly acknowledged by the said Winston Marks; that thereafter said agreement was duly acknowledged by the said Morris Zeligson; that thereafter and on the 11th day of August, 1939, said rental agreement was duly filed in the office of the County Clerk of Colfax County, New Mexico, under filing number M-3176.

(b) That on the 11th day of July, 1938, the said Winston Marks entered into a written bond of indemnity to the said Morris Zeligson with National Surety Corporation as surety thereon in the penal sum of \$3,000.00, conditioned that the said Winston Marks should fully and faithfully perform all the terms and conditions of said rental agreement; that the said Winston Marks failed and neglected to make payment for said casing above described as required by said rental contract and failed to return the same to the said Morris Zeligson; that, as a result thereof, the said Morris Zeligson demanded that National Surety Corporation as surety on said bond make payment for said casing; that the said National Surety Corporation was compelled to pay and did pay to the said Morris Zeligson for said casing the sum of \$2,793.90 on the 28th day of July, 1939; that prior to said date the said Winston Marks had already placed said casing in the said Winston Marks well on Section 5, Township 25 North, Range 24 East, in Colfax County, New Mexico.

(c) That upon payment for said casing by National Surety Corporation, the said Morris Zeligson made, executed, and delivered to said National Surety Corporation his written assignment, selling and assigning unto said National Surety Corporation all said casing above mentioned; that a true copy of said assignment is attached hereto, marked Exhibit "B," and by this reference made a part of this petition; that said assignment was, on the 5th day of August, 1939, filed for record in the office of the County Clerk of Colfax County, New Mexico, and recorded in Book 39 of Miscellaneous Records at page 223.

(d) That the said National Surety Corporation as the legal owner of said casing, is entitled to the immediate possession thereof and entitled to remove the same from said Winston Marks well, subject only to the permission of this Commission.

II

That the said Winston Marks well is located on Section 5, Township 25 North, Range 24 East, N. M. P. M., in Colfax County, New Mexico, the exact location of said well being sometimes designated as the Southeast Quarter of the Northwest Quarter ($SE\frac{1}{4}NW\frac{1}{4}$) of said Section 5 and sometimes designated as the Southwest Quarter of the Northwest Quarter ($SW\frac{1}{4}NW\frac{1}{4}$) of said Section 5; that, regardless of said designation of the particular quarter section, the said well is one and the same well; that the said Winston Marks undertook to drill said well for Tenaja Oil Company under a drilling contract; that drilling operations were commenced by the said Winston Marks during, or shortly after, the month of January, 1938; that said well proved to be a dry hole, and no oil, gas, carbon dioxide, or any other mineral or mineral product whatever was encountered in substantial quantities or in paying quantities; that during, or prior to, the month of December, 1938, the said Winston Marks abandoned all drilling operations on said well, and, ever since that time, said well has been utterly abandoned and neglected; that National Surety Corporation, as owner of the casing, seeks permission of this Commission to pull said casing and remove same from said well.

III

That in order to obtain permission of this Commission to drill said well, the said Winston Marks filed with this Commission her bond in the sum of \$5,000.00, conditioned among other things for the plugging of said well in accordance with the program approved by the Oil Conservation Commission through the state geologist, when dry or when abandoned in such way as to confine the oil, gas, and water in their respective

strata in which they are found and to prevent them from escaping into other strata; that the said National Surety Corporation executed said bond as surety for the said Winston Marks; that said bond was dated the 14th day of January, 1938, and is now on file with this Commission; that, since said well is a dry and abandoned well and all drilling operation have been abandoned for more than one year, it is incumbent on the said National Surety Corporation to comply with the provisions of said bond for the plugging of said well; said National Surety Corporation by this petition seeks permission of the Commission to plug said well in such manner as the Commission may require.

WHEREFORE, said National Surety Corporation prays:

1. That the Commission determine the status of the said well as an abandoned well.
2. That the said petitioner be permitted by the Commission to pull the said casing above mentioned and remove the same from the said well.
3. That the petitioner be permitted to plug the said well in accordance with the requirements of the Commission and in such manner as the Commission may direct.
4. That such notices be given and such hearing be held hereon as the Commission may require to the end that at the earliest convenient time the substantial relief hereinabove prayed for may be granted.
5. That the petitioner have such other, further, and different relief as to the Commission may seem proper.

NATIONAL SURETY CORPORATION, Petitioner

By



Its Attorney

STATE OF NEW MEXICO)
COUNTY OF COLFAX) ss.

G. W. Robertson, being first duly sworn according to law, on his oath deposes and says that he is one of the attorneys for the petitioner, National Surety Corporation, and that he is duly authorized to make and does make this verification for and on behalf of said petitioner for the reason that said petitioner is a corporation; that he has read the above and foregoing Petition and knows the contents thereof,

and that the matters and things therein stated are true as he is informed and verily believes.

G. W. Robinson

Subscribed and sworn to before me this 11th day of March,
1940.

Hazel Surber
Notary Public

My commission expires
Nov. 20, 1941

EXHIBIT "A"

RENTAL AGREEMENT

This Agreement made and entered into this 11th day of July, 1938, by and between Morris Zeligson, Party of the First Part, and Winston Marks, Party of the Second part, as follows:

WHEREAS, Party of the First Part is the owner of approximately 1200 feet of 12-1/2" Casing, now located in the vicinity of Ellis, Kansas, and

WHEREAS, Party of the Second Part is now drilling a well for oil and gas upon the following described lease in Colfax County, New Mexico, being SE NW 1/4 Sec. 5. TNP 25 N R 24 E

Party of the First Part agrees to rent and furnish above mentioned casing to Party of the Second Part under the following terms and conditions:

Party of the Second part is to pay Party of the First Part the sum of \$500.00, and the cost of hauling from the present location to the drilling location, and an additional consideration of one 80-acre lease to be an offset to the drilling well, and an 80-acre lease within one mile of the drilling well, These payments to cover a rental period of 120 days.

In the event the well is a producer, Second Party will retain casing at a price of \$2.15 per foot for the Lapweld, and \$2.50 per foot for whatever Seamless is furnished. Said title to casing to remain in First Party's name unless and until full and complete payment is made by Second Party.

In the event of a dry hole, Second Party is to pay for any and all damages to the casing or collars and threads, and to pay for any pipe that may not be recovered from the well at prices hereinbefore mentioned. It will be assumed by both parties that the threads and collars are to be in first class order before running in the hole unless otherwise notified by Second Party before running, and when pipe recovered in event of dry hole, First Party will have same inspected at the drill-

ing location who will at that time designate any damages.

Party of the Second Part agrees to assume all responsibility in connection with the use and running of above casing and saves Party of the First Part free and harmless from any responsibility whatsoever as to the performance or representation of this casing, but Second Party to have full privilege of inspection of casing before running into well and at the time of loading, and to accept only pipe which is satisfactory upon the inspection.

Party of the Second Part agrees to either return or pay for the casing within or at the expiration of 120 days from the signing of this agreement. In the event casing is to be returned, Party of the Second Part will re-deliver casing to the vicinity of its present location free of any cost to First Party.

IT IS AGREED by both parties that accompanying this agreement, Party of the Second Part will furnish a guarantee to indemnify and save First Party harmless from any liens and encumbrances, and to guarantee the performance of Party of Second Part in this agreement in its entirety. Said indemnification to specifically refer to this agreement and its particulars, such as against liens, value of material and re-delivery.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals this 11th day of July, 1938.

Morris Zeligson
Party of the First Part

Winston Marks
Party of the Second Part

STATE OF TEXAS)
) ss.
COUNTY OF POTTER)

Before me, the undersigned authority, a Notary Public, in and for Potter County, Texas, on this day personally appeared Winston Marks a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of July,
A. D. 1938.

(SEAL)

W. S. Eakens
Notary Public, Potter County, Texas

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

On this, the 10th day of August, 1939, before me personally
appeared Morris Zeligson, to me known to be the identical person described
in and who executed the foregoing instrument and acknowledged that he
executed the same as his free act and deed.

(SEAL)

Maxine Witt
Notary Public

EXHIBIT "B"

BILL OF SALE
&
ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS: That I, Morris Zeligson, in consideration of the sum of One (\$1.00) Dollar, and other good and valuable consideration, to me in hand paid, by National Surety Corporation, the receipt of which is hereby acknowledged, have granted, bargained, sold and assigned, and by these presents do hereby grant, bargain, sell and assign unto National Surety Corporation, its successors or assigns, all of my right, title, interest in, to, or concerning, the following described property, located in or about a partially drilled test well, the drilling of which was commenced by Winston Marks, on the Southeast Quarter (SE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section Five (5), Township Twenty-Five (25) North, Range Twenty-four (24) East, Colfax County, New Mexico, to-wit:

29 Joints, 774-3/4 feet of 12 $\frac{1}{2}$ inch lapweld casing.

15 Joints, aggregating 447-3/4 feet of 12 $\frac{1}{2}$ inch seamless casing

to have and to hold the same unto the said National Surety Corporation, its successors and assigns forever: PROVIDED HOWEVER, that this assignment is made without warranty, and assignor has not at any time, prior or subsequent to a contract with Winston Marks, encumbered this property.

Dated this the 28th day of July, 1939.

Morris Zeligson
Morris Zeligson.

WITNESSES TO SIGNATURES:

G. C. Spillers
Name

Tulsa, Okla.
Address

Anne Spillers
Name

Tulsa, Oklahoma.
Address

STATE OF OKLAHOMA)
COUNTY OF TULSA) SS.

Before me, Frances Thompson, a Notary Public, within and for the State of Oklahoma, on this the 28th day of July, 1939, personally appeared Morris Zeligson, to me known to be the identical person who executed the above and foregoing Bill of Sale, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

In witness whereof, I have hereunto subscribed my name and affixed my seal the day and year first above written.

(SEAL)

Frances Thompson
Notary Public.

MY COMMISSION EXPIRES: Jan. 26, 1940